

FBIS

DAILY REPORT

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RENMIN RIBAO ON RESULTS OF U.S.-USSR SUMMIT

HK180545 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 18 Oct 86 p 6

["Short" commentary: "Anyway, Dialogue Is Better Than Confrontation"]

[Text] No agreement was reached in the U.S.-USSR summit meeting in Iceland. This has disappointed the people of various countries who earnestly hoped that progress could be made in disarmament and peace at the meeting. It is indeed regrettable as far as this is concerned.

However, it is not strange that the Iceland meeting should end in this way. Ice as thick as three feet cannot be expected to melt all at once. For many years, the United States and the Soviet Union have been contending for military superiority, trying to overtake each other. This has increasingly intensified the arms race. Talks between them on reducing nuclear weapons have been intermittently held for many years and such talks have always been difficult. Under these circumstances, it is evident that to expect the longstanding, big, and difficult problems accumulated over the previous years to be solved at one go at the meeting is not realistic.

The atmosphere at the beginning of the Iceland meeting was passable. Then things took a sudden turn and developed rapidly. In the end, no agreement was reached. No wonder this has brought about pessimistic views everywhere. However, although the ending of the Iceland meeting was regrettable, it was not a wild goose chase judging from a long-term point of view. After assessing the meeting as a "failure" over a short period of time, the world's public opinion, including that of the United States and the Soviet Union, has begun to make a relatively calm and appropriate appraisal of the recent meeting. We hold that the U.S.-Soviet relations in the past few years are characterized by confrontation and dialogues. This situation has remained unchanged. After criticizing each other after the Iceland meeting was over, both the United States and the Soviet Union have expressed their willingness to continue the dialogue. What needs at present is sincerity of both the United States and the Soviet Union. They should not fail to live up to the hopes of the people the world over.

Like the people of other countries, the Chinese people favor U.S.-Soviet summits and hope that leaders of these two countries will seriously hold dialogues in order to reach agreements that will not harm the interests of other countries but will be conducive to maintaining world peace. After the Iceland meeting, we still stand for continuing dialogues between the United States and the Soviet Union. Undoubtedly, dialogues are better than confrontation and to hold talks is better than not to hold talks. Reversely, confrontation will eventually lead to a tense situation and intensify arms race, which endangers world peace and does not conform to the interests of the people of various countries of the world.

RENMIN RIBAO ON PROSPECTS FOR WASHINGTON SUMMIT

HK180852 Beijing RENMIN RIBAO in Chinese 18 Oct 86 p 6

["Jottings" by Sai Bei (1049 0554): "Heading for Washington?"]

[Text] Following the Iceland summit meeting, the United States and the Soviet Union mutually accused each other. After that, they talk again about another meeting in Washington.

The situation in the Iceland meeting was gradually revealed. According to statements and reports issued by various quarters, both sides had originally reached an agreement on respectively reducing 50 percent of their strategic nuclear weapons, and destroying their medium-range missiles deployed in Europe. However, the negotiations collapsed when touching upon the problem whether the reduction of nuclear weapons should be linked with the ban on manufacturing and testing space weapons. It was obvious that although no written agreement was reached at the Iceland meeting, both sides had expressed their willingness to reach an agreement on some important issues. This has laid a foundation for the continuation of their meeting.

Before the Iceland meeting was held, all the world hoped that it would make a contribution to easing international tension. After the meeting, some people felt disappointed. However, most people hope that heads of state of the United States and the Soviet Union will continue their talks. This is because factors of success still exist in the failure of the previous meeting. Such hope pinned by the people of various countries in the world on the American-Soviet summit meeting has undoubtedly constituted a pressure on the two countries. They are compelled to seek another opportunity to continue their talks.

Obviously, as long as the two sides are willing to talk, there is an opportunity of success. Both sides are holding talks in Geneva on the reduction of nuclear arms. In early November, foreign ministers of the two countries will meet at a meeting in Vienna on reviewing the Helsinki agreement on European security. In addition, Gorbachev expected that the Washington meeting "would yield positive results," and some White House officials stated that the United States "still welcomes" him to hold the meeting in Washington. The problem is whether they can devise a plan on the space weapons acceptable to both sides. This remains to be seen.

TA KUNG PAO ON U.S.-USSR RELATIONS AFTER ICELAND

HK170823 Hong Kong TA KUNG PAO in Chinese 16 Oct 86 p 3

["Feature Article" by Chung Fei (6988 7236): "U.S.-Soviet Relations Viewed in Light of the Iceland Meeting"]

[Text] Reagan Acts Tough and Gorbachev Wins Matching Toughness With Softness [subhead]

There has been global despair over the failure of the Iceland meeting between the leaders of the United States and the Soviet Union.

Given the complexity of U.S.-Soviet relations, what Reagan and Gorbachev talked about covered an extremely wide range, with practically everything in the world, from armaments to human rights, included. People originally had not expected the solution of all problems in two days. An impromptu meeting was added giving people an impression of progress in the talks. It was reported that there really were some results, with some progress made in talks about long- and medium-range missiles and even on the human rights problem. But everything was overthrown once the U.S. star wars program was taken up.

This made people feel doubly sorry about it.

There is nothing strange about the meeting not yielding results from the angle of the Reagan administration's strategy toward the Soviet Union.

There are now two features marking U.S.-Soviet relations. One is Reagan's tough line about competition, and the other is Gorbachev's matching that toughness with softness.

Between the 1960's and the 1970's, Soviet strength expanded sharply, while the United States, bedevilled with the Vietnam war and domestic problems, had a drain on its national resources. With Reagan's rise to power in the 1980's a strong stance was assumed in another bid for military superiority. After 1982, the U.S. economy recovered and grew all the time, though not strongly. This strengthened the Reagan administration's confidence, with its demand for greater competitiveness with the Soviet Union at various military levels and in various relevant fields. Great economic strength and advanced technology were relied upon to wear down the Soviet Union through a protracted arms race. The "strategy of competition" has been set as the focus of U.S. defense policy for the coming few years.

The resolute introduction of the star wars program, the announced resumption of research on chemical weapons and the declaration of freedom from the bonds of second-stage [di-er jie-duan 4574 0059 7132 3008] strategic weapons -- all these are decided under the guidance of this competition strategy.

The Soviet Union Has Readjusted its Foreign Policy [subhead]

This has led to the rise to power of U.S. conservative forces. Some liberals in the Democratic Party have also changed their party's attitude toward the use of military strength.

Shultz has therefore declared: "We have reason to believe that the balance of strength has again become favorable to us."

The line defined at the 27th Congress of the CPSU has also stimulated U.S. determination to take the offensive.

With Gorbachev in power, a series of readjustments have been made in Soviet foreign policy. The guiding principle was clearly defined at the 27th Congress of the CPSU as "accelerated strategic development," with invigoration of the economy and strengthening of comprehensive national resources viewed as a strategic task that calls for immediate attention. Toward the United States, the Soviet attitude has become more flexible, with competition for hegemony not abandoned as prerequisite. The Soviet Union has put forward a series of disarmament proposals, offered to stop nuclear testing, and launched "a peace offensive," matching toughness with softness. But it must be noted that the Soviet Union will never allow such "flexibility" to hurt its fundamental interests.

From this, it can be seen that it is no accident that the United States and the Soviet Union have again reached deadlock over the star wars issue.

The development of East-West relations in the aftermath of the Iceland meeting can be viewed in light of both good and bad.

As far as that which is good is concerned, the United States and the Soviet Union did "come unusually close to reaching an agreement." Both sides proposed relatively similar and quite large reductions in nuclear arms. Reagan's "brand new proposal" called for a 10-year delay in deploying the star wars program, on condition that the two countries completely destroy all ballistic missiles. [paragraph continues]

The Soviet Union on its part suggested a reduction by half of each side's nuclear weapons, and the total elimination of both sides' medium-range missiles in Europe (not including those belonging to Britain and France). There was to be a freeze on Warsaw [Pact] guided missiles with a range of 1,000 kilometers, and the retention by the Soviet Union in Asia, and the United States on its own territory of medium-range missiles with a total of 1,000 warheads.

The West Considers That There Is No Need for Pessimism [subhead]

All this is what the world likes to see. Just as British Prime Minister Mrs Thatcher said, a big step has been taken in the direction of strengthening arms control. The meeting did not reach a final agreement, but it is showed that the United States and the Soviet Union can, in certain areas, achieve great progress. If both sides continue making efforts on this basis, there is still hope for the future.

Judging by remarks from both sides after the meeting, there is nothing blocking the path to further dialogue. As soon as the meeting ended, Gorbachev suggested to Reagan that they holding "overall talks on the prohibition of nuclear testing." Though there is no definite date for Gorbachev's visit to the United States, the United States and the Soviet Union did not rule out the possibility of his meeting Reagan again in the United States this year. Contacts at relatively low levels, including foreign ministers level will continue.

Therefore, some Western leaders consider that though the meeting was a failure, there is no need for pessimism.

As far as that which is bad is concerned, the United States and the Soviet Union are divided over the U.S. star wars program. This difference will continue to be an obstacle to an agreement for both sides.

The Soviet Union has made a series of concessions, but it has never given up its determination to maintain a military balance and to contend for superiority in space. It should be pointed out that the Soviet Union has advanced in the space technology field and surpasses the United States in certain areas. Gorbachev declared long ago that the Soviet Union had found "a convincing countermeasure" against the "star wars program."

If the Reagan administration insists on acting irrationally over the "star wars program" and sticks to its guns, a Soviet switchover to a tough stand is not impossible. Western analysts generally consider that there is military pressure behind the scenes on Gorbachev to act tough toward Reagan.

BAN YUE TAN ON SOVIET POLICY ON CAMBODIA

HK190706 Beijing BAN YUE TAN in Chinese No 19, 10 Oct 86 pp 52-54

[Article by Tang Tianri (0781 1131 2480): "Sino-Soviet Relations as Seen From the Cambodian Issue"]

[Text] The Vietnamese invasion of Cambodia is the greatest of the three major obstacles to the improvement of Sino-Soviet relations. It generates heat and has led to confrontation between China and the Soviet Union. Not long ago, Chinese leader Deng Xiaoping also said this in a conversation with American television reporter Mike Wallace. Deng Xiaoping said: "If this obstacle is removed, I am willing to break my own rules by meeting Gorbachev in any part of the Soviet Union. I believe that such a meeting would have great significance for the normalization of Sino-Soviet interstate relations." The question of how Soviet leaders view this issue is drawing worldwide attention.

People have noticed that in the speech he delivered in Vladivostok on 28 July, CPSU Central Committee General Secretary Gorbachev avoided the issue of total withdrawal of Vietnamese troops from Cambodia but only said in passing that the settlement of this issue "depends on the normalization of Sino-Vietnamese relations." What he meant is that the Soviet Union is not involved in the Vietnamese invasion of Cambodia. Obviously, what he said is not an explanation of the history and current state of the Vietnamese invasion and occupation of Cambodia. It cannot explain the deterioration of Sino-Vietnamese relations either.

Why did Vietnam have the courage to start an aggressive war against Cambodia 8 years ago in utter disregard of worldwide condemnation? The reason is simply that it was backed by the Soviet Union. In early November 1977, Le Duan, the late general secretary of the CPV Central Committee, led a delegation to Moscow to attend the October Revolution celebrations and to plan the invasion of Cambodia with Soviet leaders. The Soviet Union promises to give Vietnam more military aid to prepare for the invasion. In late October 1978, Le Duan led another delegation to Moscow and signed a treaty on the "friendly cooperation" between the two countries with Brezhnev, which is in fact a military alliance treaty. Secure in the knowledge that it had strong backing, Vietnam "blitzed" Cambodia long before the ink of the signatures on the treaty was dry.

How could Vietnam sustain its invasion and occupation of Cambodia for about 8 years and openly resist the resolutions adopted by more than 100 countries at several UN General Assembly meetings by refusing to withdraw all its troops from Cambodia? The reason is simply that it has the "full support of the Soviet Union." According to one report, before the invasion, Vietnam on the average received more than \$400 million in aid from the Soviet Union each year. However, since its invasion of Cambodia, the total amount of aid it receives from the Soviet Union each year has increased to \$2.5 billion. Most of this is military aid. Soviet leaders have repeatedly announced that as far as the Cambodian issue is concerned, "the Soviet Union's immutable principle is that it gives full support to Vietnam." Le Duan once frankly said that Vietnam "relies on its close unity and comprehensive cooperation with the Soviet Union" for the implementation of its line. Vietnamese Foreign Minister Nguyen Co Thach has also admitted that "without the Soviet Union, Vietnam could accomplish nothing."

Why do the Vietnamese authorities dare to make the 1 billion justice-upholding Chinese people their enemy, to pursue an anti-Chinese national policy, and to incessantly carry out armed provocations on the Sino-Vietnamese border? According to their own leaders, the reason is simply that Vietnam has the support of the Soviet Union. In an article, Vietnam's QUAN DOI NHAN DAN admits that the reason is that "Soviet leaders fully support Vietnam against China." Precisely because of this, Vietnam is still stubbornly and flagrantly clinging to an anti-Chinese stand.

Facts will show that the Soviet Union is not only involved in the Vietnamese invasion of Cambodia, it is directly involved in it. It can be said that without the Soviet Union's "full support," the Vietnamese invasion of Cambodia would not have taken place and Sino-Vietnamese relations would not have deteriorated. As the saying goes: "The one who creates a problem should be the one to solve it." The Soviet Union can indeed do something about this. At present, it has the following two alternatives:

-- It can continue to "give full support" to Vietnam's invasion and occupation of Cambodia in order to help Vietnam realize its dream of creating an "Indochinese Federation." The facts over the past 8 years have told us that by supporting Vietnam's invasion and occupation of Cambodia, the Soviet Union has brought an unprecedentedly dreadful national disaster to Cambodia, seriously endangered peace in Southeast Asia, and threatened China's security. Under such circumstances, the Chinese people can only resolutely help the Cambodian people and the Democratic Kampuchean resistance forces, as they did in the past, to fight against the Vietnamese aggressors to the end or until they achieve victory. In this way, the Cambodian issue will continue to generate heat and because of this heat, Sino-Soviet relations will remain dominated by confrontation.

-- It can make the Vietnamese withdraw their troops from Cambodia and cool down the heat and put an end to the confrontation in Sino-Soviet relations by withdrawing their support for the Vietnamese invasion and occupation of Cambodia. In this way, the Soviet Union can contribute to bringing about a Sino-Soviet summit and pave the way for the normalization of Sino-Soviet interstate relations.

International opinion holds that Soviet Union can choose either of these two alternatives at its discretion. It is hoped that the Soviet Union will learn from past experience, change over to new ways, and make a sensible decision by choosing the second alternative. However, there is not even the slightest suggestion that the Soviet Union will withdraw its support for the Vietnamese invasion of Cambodia. However, it is also said that the Soviet Union still cannot arrive at a conclusion because its leaders are divided on this issue. Thus, future Soviet moves concerning this will be worth observing.

RADIO VIEWS SINO-SOVIET ECONOMIC RELATIONS

OW200222 Beijing in Russian to the USSR 1800 GMT 17 Oct 86

[Newsletter: "Steady Growth of Trade and Economic Relations Between the PRC and the Soviet Union"]

[Text] Trade and economic relations have been developing rapidly between the PRC and the Soviet Union in the last few years. The total volume of Sino-Soviet trade turnover during the 1981-85 period reached 10 billion Swiss francs, a greater volume than was recorded in mutual trade during all the years of the seventies combined.

The volume of Sino-Soviet trade in 1985 amounted to 4.6 billion Swiss francs, a new record annual volume in mutual trade for the last 25 years.

The Soviet Union, one of China's main trade partners, now occupies sixth place in foreign trade after Japan, the Hong Kong and Macao regions, the United States, the FRG, and Singapore.

Our country imports from the Soviet Union rolled steel, pig iron, ferrous metals, lumber, and other products and exports to the Soviet Union tungsten ore, soy beans, corn, green nuts, meat, meat products, applies, and other goods.

During PRC State Councillor and Vice Premier Yao Yilin's visit to the Soviet Union in 1985, the governments of the two countries signed a long-term trade agreement for the 1986-1990 period and an agreement on technical-economic cooperation, providing for the participation of the Soviet Union in the construction and reconstruction of some industrial projects in China.

Specialists expect that economic and trade relations between China and the Soviet Union will grow steadily in the next 5 years.

Trade between Heilongjiang Province and the autonomous region of Inner Mongolia of China on the one hand and border regions of the Soviet Union on the other have developed rapidly since 1983.

Their total trade turnover reached 140 million Swiss francs between 1983 and 1985. In addition the Xinjiang Uygur Autonomous Region of China this year began trade with five union republics of the Soviet Union: The Kazakh, Kirgiz, Tadjik, Turkmen, and Uzbek republics.

The satisfactory development of trade between the border regions of the two countries serves as an important addition to the intergovernmental trade between China and the Soviet Union and contributes to improving economic life in the border regions of the two countries. It also has a beneficial effect on deepening friendship between the populations living on both sides of the Sino-Soviet border.

ZHEJIANG, XINJIANG DEVELOP TRADE WITH USSR

OW190007 Hangzhou Zhejiang Provincial Service in Mandarin 0400 GMT 18 Oct 86

[Text] Jiaxing City recently established economic and technological cooperation relations with Xinjiang's Shihezi City and jointly produced products for the Soviet market. Shihezi City has long enjoyed an important position in the agricultural-reclamation economy of Xinjiang as well as in other parts of the country. It has potential advantages for developing its economy and favorable conditions for trading with the Soviet Union. By establishing various forms of commercial and trading ties, entering into economic and technological cooperation with Shihezi City, and in setting up export-oriented plants, Jiaxing City has bright prospects for gradually developing import and export trade.

HU QILI WELCOMES NAKASONE 8-9 NOV VISIT

OW180610 Beijing in Japanese to Japan 2130 GMT 16 Oct 86

[Text] At the 15 October regular press conference, a Chinese Foreign Ministry spokesman announced that Prime Minister Nakasone would visit China on 8-9 November, at the invitation of General Secretary Hu Yaobang, to attend a ceremony to lay the foundation for the Japan-China Youth Exchange Center.

Touching on Prime Minister Nakasone's Visit to China at a meeting with an ASAHI SHIMBUN delegation on the afternoon of 15 October, Hu Qili, member of the Political Bureau and permanent secretary of the Secretariat of the CPC Central Committee, expressed expectations that friendly relations between China and Japan would be further promoted through Prime Minister Nakasone's visit.

At the meeting, Hu Qili expressed his gratitude for ASAHI SHIMBUN taking the lead to promote friendly relations even prior to the resumption of diplomatic relations between the two countries. He also stated: China and Japan have a long history of exchanges covering over 2,000 years. During this period, there have been twists and turns. We hope that the older generation of the two countries will give the younger generation of an education based on correct historical facts and will bring up a new generation having mutual respect, mutual confidence, and mutual understanding. In this way, the friendly relations between the two countries will continue from one generation to another.

On China's trade deficit with Japan, Hu Qili stated: It is not desirable for such a situation to continue for a long time. There will be bright prospects for bilateral trade only if it is based on equality and mutual benefit.

In reply to questions, Hu Qili also remarked on various issues including U.S.-USSR relations, PRC-USSR relations, and the building of socialist spiritual civilization.

In reply, Toichiro Hitotsuyanagi, the delegation leader and ASAHI SHIMBUN president, stated that while visiting various organizations in Beijing, he noted there were many young cadres full of confidence in achieving the four modernizations. He also said he was impressed with the colorful clothing.

STATISTICS BUREAU ON TRADE DEFICIT WITH JAPAN

OW181251 Tokyo KYODO in English 1207 GMT 16 Oct 86

[Text] Beijing, Oct. 18 KYODO -- China recorded a 5.4 billion dollar deficit in trade with Japan in the first nine months of this year, a spokesman for the National Statistics Bureau here said Saturday.

Spokesman Zhang Zhongji said China's shipments to Japan in the January-September period amounted to 3,425 million dollars while its imports totaled 8,833 million dollars.

He said the exports and imports both declined, by 21.3 percent and 15.7 percent respectively, from the same period last year.

Zhang said China registered the 5.4 billion dollar deficit in its trade with Japan because of what he described as a drastic plunge in exports.

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Zhang said China was not good at dealing with the reduction in crude oil prices and the yen's rapid rise in value against the U.S. dollar. He declined to go into details.

The Statistics Bureau, meanwhile, said China's overall exports amounted to 21.4 billion dollars in the first nine months of this year, compared with 30.36 billion dollars for imports. The figures represent increases of 14.8 percent for exports and 5.1 percent for imports compared to the same period last year.

According to the bureau, China's overall trade deficit declined by about 16 percent, to less than 9 billion dollars, from the corresponding period of last year because of the rise in exports.

It said both exports and imports made steady growth, except for those involving Japan.

Exports to the Soviet Union amounted to 880 million dollars and imports 900 million dollars, up 51.3 percent and 57.6 percent, respectively, from the like period last year.

Shipments bound for Eastern Europe totaled 940 million dollars and imports 1.37 billion dollars, or up 86.3 percent and 46.6 percent, respectively.

China's exports to European Community member nations amounted to 2.8 billion dollars, up 81.4 percent over the same period last year, and imports 5.45 billion dollars, a rise of 33.4 percent.

SHANGHAI MAYOR MEETS JAPANESE BUSINESSMEN

OW191221 Shanghai JIEFANG RIBAO in Chinese 9 Oct 86 p 1

[Excerpt] The Shanghai office of the Nomura Stock Company -- the biggest stock company in Japan -- officially opened yesterday on the 27th floor of the Lianyi Building. An opening ceremony was held in the evening at a small auditorium in the Jinjiang Hotel. Li Zhaoji, deputy mayor of Shanghai; Wang Daohan, advisor to the city government; and Secretary General Qian Xuezhong attended the ceremony.

Mayor Jiang Zemin met Yoshihisa Tabochi and Masanori Ito, president, and advisor of the Nomura Stock Company respectively, and their company at the guestroom of the City government yesterday morning. They came to Shanghai especially to attend the opening ceremony. Amid a warm atmosphere, Mayor Jiang congratulated them on the opening of the Nomura Shanghai office. They also had a friendly conversation on economic cooperation in the future. [passage omitted]

DPRK EXTENDS CONDOLENCES ON LIU BICGEBG'S DEATH

OW180607 Beijing XINHUA Domestic Service in Chinese 1506 GMT 16 Oct 86

[Text] Beijing, 16 Oct (XINHUA) -- The Military Commission of the Workers Party of Korea Central Committee and the Ministry of People's Armed Forces of the Democratic People's Republic of Korea sent messages of condolence on 11 October to the Military Commission of the Chinese Communist Party Central Committee and the Ministry of National Defense of the People's Republic of China, respectively, on the passing of Comrade Liu Bocheng.

FOREIGN MINISTRY CONFIRMS SINO-VIET BORDER CLASHES

HK171442 Hong Kong AFP in English 1404 GMT 17 Oct 86

[Text] Beijing, Oct 17 (AFP) -- The Chinese Government said Friday that its border guards on the Sino-Vietnamese frontier had counter-attacked incursions by Vietnamese troops onto Chinese soil.

"Recently, Vietnamese troops have frequently carried out armed incursions in our own border area," a Foreign Ministry spokesman said.

"According to the principle of self-defence, our frontier guards in Yunnan have launched counter-attacks against provocative Vietnamese troops which they deserved, in our own territory."

(Earlier Friday, the VIETNAM NEWS AGENCY said Chinese artillery had fired 3,000 shells at 22 villages in the mountainous Vi Xuyen District of Ha Tuyen border province Wednesday, leaving "a large number of victims" among the local population.

(On Thursday, the official agency said that at least 100 Chinese soldiers had been killed in the same district Tuesday after Chinese infantry and artillery fired 35,000 shells in what VNA called their most violent attack this year.)

Clashes along the Sino-Vietnamese border have been frequent since their brief but bloody war in early 1979, when Chinese troops ventured into Vietnam to "teach a lesson" to Hanoi for invading Cambodia.

TIAN JIYUN CONTINUES VISIT TO ASEAN COUNTRIES

Visits Malacca, Holds Talks

OW161959 Beijing XINHUA in English 1538 GMT 16 Oct 86

[Text] Kuala Lumpur, October 16 (XINHUA) -- Malacca State of Malaysia wants China to invest in and have direct trade ties with the state, Chief Minister of Malacca Rahim Thamby Chik said this afternoon.

The chief minister said this during his talks with visiting Chinese Vice Premier Tian Jiyun who arrived in Malacca this morning. This is the first time that a Chinese Government leader visited the Malacca State.

"So far the investors in Malacca were coming from West European countries and the United States. We hope China will become an investor in Malacca. We also hope for a direct trade relation with China," the chief minister told the Chinese vice premier.

He said that there were some difficulties for Malacca to export palm oil to the markets in Western Europe and the United States. So Malacca hopes for China's help in its palm oil export.

Earlier this morning, the Chinese delegation was briefed by the chief minister on the history of Malacca and visited the culture museum and the Declaration of Independence Memorial of Malacca State. At noon, the Chinese vice premier called on the head of Malacca State Tun Haji Syed Ahmad Shahabuddin at his official residence and was entertained to a luncheon there.

After that the Chinese delegation visited the "Nyonya and Baba" Heritage Museum and the mini Malaysia project.

The earliest records of Malacca's history date back to 1403. It was a tiny fishing village then and its ideal location for trading gave impetus to its development. Within a short span of time, it grew into the capital of a sultanate extending out over half of the entire peninsula. It later became one of the busiest seaports in the world.

Meets Malaysian Prime Minister

OW171125 Beijing XINHUA in English 0856 GMT 17 Oct 86

[Text] Kuala Lumpur, October 17 (XINHUA) -- Visiting Chinese Vice Premier Tian Jiyun said here today that China and Malaysia should continue their efforts to search new ways to develop economic cooperations between the two countries.

Tian expressed the hope this morning during his meeting with Malaysian Prime Minister Dr. Mahathir Mohamad. The meeting lasted for 50 minutes.

Tian said Prime Minister Mahathir's visit to China last year has been strengthening the friendship between the two countries. He believed that the areas of cooperation between the two countries will be broadened through the mutual efforts.

The Chinese vice premier also briefed his Malaysian host on the economic situation and reforms in China.

Mahathir said China's prosperous economy will have a direct influence on the people in the region, which will enhance China's import and export capacity.

The increased contacts between the officials and businessmen of the two countries since his China tour last year are favorable to mutual understanding and economic cooperations, he added.

Taking part in the meeting were also Chinese Deputy Foreign Minister Liu Shuqing and the Malaysian Foreign Minister Datuk Rais Bin Yatim.

Views Economic Ties

OW171938 Beijing XINHUA in English 1657 GMT 17 Oct 86

[Excerpt] Kuala Lumpur, October 17 (XINHUA) -- visiting Chinese Vice Premier Tian Jiyun and Malaysian Finance Minister Daim Zainuddin have expressed the hope for more efforts to boost economic cooperation between the two countries.

During the meeting today, they discussed the economic situation and finance system of their countries. [passage omitted]

Concludes Visit to Malaysia

OW180840 Beijing XINHUA in English 0725 GMT 18 Oct 86

[Text] Kuala Lumpur, October 18 (XINHUA) -- Chinese Vice-Premier Tian Jiyun left here this morning for the Philippines after winding up his five-day visit to Malaysia, the second leg of his four-ASEAN-nation tour.

Tian told XINHUA at the Kuala Lumpur Subang Airport that he discussed with Prime Minister Mahathir Mohamad and other Malaysian officials the possibility of developing economic relations between the two countries.

China, which concentrates on its economic modernization, has been seeking all possible avenues to expand cooperation with foreign nations including its neighboring ASEAN countries since it adopted a policy of opening to the outside world.

Earlier, Tian visited Singapore from October 11 to 14. He will visit the Philippines from October 18 to 21. His stay in Thailand, the last leg of his tour, will last from October 21 to 28.

Arrives in Philippines

OW181517 Beijing XINHUA in English 1223 GMT 18 Oct 86

[Text] Manila, October 18 (XINHUA) -- Chinese Vice-Premier Tian Jiyun and his party arrived here this afternoon for an official visit to the Philippines, the third leg of his four-ASEAN-nation tour.

This is the highest level Chinese delegation sent to the Philippines since its new government came to power last February.

Philippine Vice-President and Foreign Minister Salvador Laurel who met Tian at the airport said, "The Chinese vice-premier's visit is very significant. It will bring our two countries closer to each other."

During his 3-day stay here, Vice-Premier Tian will meet with President Corazon Aquino, and hold official talks with Laurel. He will also have talks with other members of the cabinet.

China and the Philippines established diplomatic relations in 1975, and Sino-Philippine relations developed further after the current Aquino government assumed office.

Manila newspapers today highlighted Tian's visit and the close ties between the two countries. Biographical notes on Tian released by the government-run PHILIPPINE NEWS AGENCY were widely carried in the press.

In a front page editorial, the "WORLD NEWS" pointed out that the vice-premier's visit marks a higher stage the friendly relations between the two countries have reached. The Sino-Philippines relations will stand all tests and no force can undermine it, the paper added.

Tian and his 15-member party arrived here after visiting Singapore and Malaysia and his last stop is Thailand.

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PRC INTERNATIONAL AFFAIRS
SOUTHEAST ASIA & PACIFIC

Holds Talks With Laurel

OW181751 Beijing XINHUA in English 1449 GMT 18 Oct 86

[Text] Manila, October 18 (XINHUA) -- Chinese Vice-Premier Tian Jiyun and Philippine Vice-President and Foreign Minister Salvador Laurel today expressed satisfaction with the ever growing relations between China and the Philippines.

The two leaders made the expression in their one and a half hour talks this afternoon soon after the Chinese vice premier and his party arrived here. During their talks held at the executive house, the two leaders discussed bilateral relations and other issues of mutual concern.

Tian said in the talks that since the new government headed by President Corazon Aquino assumed power in February this year, the friendship and understanding between China and the Philippines have been further strengthened through mutual and friendly visits.

Tian stressed that the Chinese Government highly values the traditional friendship between the two peoples and hoped that his present visit will contribute to this friendship.

He also spoke highly of the measures taken by the Philippine Government to recover the economy, especially the emphasis on rural development.

The Chinese vice-premier said in order to help the Philippines, the Chinese Government will send one hundred tractors as gifts to the Philippines.

Laurel warmly welcomed Tian to visit the country and briefed him on the political and economic developments in the Philippines.

He told the Chinese guests that he was very happy to have another opportunity to continue his talks with Tian in Manila.

Laurel met Tian in June when he was visiting China.

Laurel appreciated very much the efforts made by the Chinese Government to correct the imbalance of trade between the two countries by importing more Philippine products.

On behalf of the Chinese Government, Tian invited Laurel to visit China again, to which the Philippine vice-president expressed his thanks and said he expects to go to China again.

During their talks both sides also exchanged views on international and regional issues of mutual concern and held convergence of views on many of the issues.

Present on the talks were Chinese Vice-Foreign Minister Liu Shuqing, Deputy Secretary General of the State Council Wang Shuming, Chinese Ambassador to the Philippines Chen Songlu.

On the Philippine side were Trade and Industry Minister Jose Concepcion, Agrarian Reform Minister Herson Alvarez, Deputy Foreign Ministers Leticia Shahani and Mamintal Tamano.

Laurel Hosts Banquet

OW181818 Beijing XINHUA in English 1634 GMT 18 Oct 86

[Text] Manila, October 18 (XINHUA) -- Philippine Vice-President and Foreign Minister Salvador Laurel said here today that close cooperation and friendship between the Philippines and China "can only strengthen the fabric of world peace."

Laurel was speaking at a banquet we gave here this evening in honor of visiting Chinese Vice-Premier Tian Jiyun.

He said, "Our relationship is rooted in the inexorable and immutable propinquity, both in history and geography, and in the common interests of our people."

The vice-president noted that in the friendly talks he had with Vice-Premier Tian earlier today, "We found a remarkable convergence of views on global and regional questions of common concern."

The talks, he added, would "deepen mutual understanding between us, an understanding that is so vital to the relations between neighbors."

"We have been watching closely the evolution of China's new economic policies and the fruits they have borne," he said, adding "a strong and prosperous China will add immensely to the peace and prosperity of the world."

In reply, Vice-Premier Tian Jiyun said "When the Philippines was at a critical historical juncture in February this year, the Philippine people demonstrated an indomitable will and strength and made their own choice. The new Government of the Philippines led by Corazon Aquino has won the support of the people and has been working hard to stabilize the internal situation in the Philippines and rebuild and revitalize its economy."

"We sincerely hope that the Philippine Government and people will overcome current difficulties and bring stability and prosperity to their country," he said.

Vice-Premier Tian said since the establishment of diplomatic relations, satisfactory progress has been made in the friendly relations and cooperation between the two countries.

With the forming of the new Philippine Government, there have been broader prospects for increased consolidation and strengthening of these relations, he said.

He pointed out that both China and the Philippines share the sincere desire to steadily promote cooperation in various fields. With the joint efforts of the two governments and peoples, Sino-Philippine friendship and cooperation will surely yield even more fruitful results.

Friendship and cordiality reigned at the banquet. Vice-President Laurel sang a popular Italian song in the course of the banquet to show his welcome to the Chinese guests.

Vice-Premier Tian and his 15-member party arrived here this afternoon for an official visit to the Philippines, on the third leg of his four-ASEAN-nation tour.

Chinese Foreign Ministry officials travelling with the royal party were visibly shaken when they learned of the students' account.

"If it is true it is most unfortunate and a very unpleasant thing to say," one official said privately.

(In Beijing, the Chinese Government declined to make any comment on the Prince's remarks. "We have not yet read any official report and we decline to comment," a Foreign Ministry spokesman said by telephone.)

The remarks have been widely covered in the British press. The prince was depicted on the front page of the SUN with "slitty eyes" and a headline: "Philip Gets It All Wong." The DAILY MIRROR called him the "Duke of Hazards." [passage omitted]

Spokesman Reacts to Remarks

HK180130 Hong Kong AFP in English 0119 GMT 18 Oct 86

[Text] Kunming, Oct 18 (AFP) -- A Chinese Government spokesman has moved to squelch a simmering controversy surrounding Queen Elizabeth's China tour over insulting remarks made by her husband, Prince Philip, telling reporters that the trip had been very smooth and he had not heard the prince's words.

The visit has been very smooth and successful, Assistant Foreign Ministry Spokesman Li Zhaoxing said late Friday in response to reporter's questions. The queen and the prince have said on several occasions that their stay has been very pleasant, he commented.

He said he did not hear the remarks, "for I was not there." Analysts said that Mr Li's comments, carefully prepared before delivery, reflected Chinese determination to prevent the incident -- in which the Duke described Beijing as ghastly and said that foreigners who stayed in China too long would get "slitty eyes" -- from interfering with bilateral relations.

The queen and the prince also appeared to be attempting to put the episode behind them, observers said. On Friday morning, the prince told reporters that students who conveyed his remarks to the press were rather tactless, but he posed in the afternoon with costumed dancers at the minority nationalities institute, patting several of them on the back.

Queen Elizabeth, wearing an emerald-green two-piece suit, remained stony-faced throughout the afternoon visit to the institute, but smiled broadly at an evening banquet with the governor of this tropical southwestern province and appeared delighted with presents she was given at a ceremony watched by photographers.

Analysts said the spokesman's comments and attempts by both sides to put a good face on the incident did not necessarily mean Chinese officials had accepted the prince's remarks in the joking manner in which the Palace spokesman said they were intended.

"We are a big country and very tolerant," said one Chinese "but we don't forget."

Potential fallout from the prince's remarks -- made in a conversation with British students in Xian on Thursday -- includes a slowdown in some of the many projects initiated during the visit, partly as an expression of goodwill on the Chinese side, analysts said.

QUEEN'S TOUR 'TARNISHED' BY PHILIP'S REMARKS

HK171506 Hong Kong AFP in English 1442 GMT 17 Oct 86

[By Lawrence MacDonald]

[Excerpt] Kunming, China, Oct 17 (AFP) -- Queen Elizabeth II's China tour, buffeted by controversy over disparaging remarks her husband Prince Philip reportedly made about his hosts, appeared to be headed for further disruption Friday -- by a typhoon.

The Queen's personal press secretary Michael Shea told reporters in this southwestern provincial capital that Typhoon Ellen was threatening to delay the arrival of the Royal Yacht Britannia in Canton, where the Queen had been scheduled to put to sea Saturday following a grand farewell.

"We are looking at ways to get around this should the Britannia not be able to get into Canton," Mr Shea said.

The Queen is scheduled to board the yacht and finish off her tour with a two-day visit to Hong Kong at the mouth of the Pearl River Delta.

Meanwhile, the Duke of Edinburgh posed with colorfully-costumed dancers during an afternoon at the National Minorities Institute here, patting several on the back in what palace watchers said was an attempt to counter reports tht he had described Beijing as "ghastly" and joked that foreigners who remained in China too long would get "slitty eyes."

At the conclusion of the visit, Prince Philip, in an unusual gesture, personally arranged for a portrait of the Queen on stage with the dancers.

When one of the photographers called out "Thank you, sir," Prince Philip replied, "Well, I've got to do something right sometime."

The Queen, who wore an emerald-green two-piece suit with matching emerald hat and black accents and accessories, remained stone-faced throughout the visit, with even the songs and dances by Tibetans and other ethnic minority groups and an English rendition of Auld Lang Syne failing to raise a smile.

Chinese officials, recovering from their initial shock of learning of the Prince's remarks, tried to put a polite face on the remainder of the trip, but observers said the abundant good will shown at the start of the visit had been tarnished by the incident.

Mr. Shea said Wednesday that Prince Phillip's comments to British students from Edinburgh University studying in Xian, west China, were meant to be joking and private. He declined to comment Friday on fresh reports that the Prince had also told the students he believed the Chinese did not like mixing with "foreign barbarians."

Earlier Friday, the Prince himself appeared to tacitly confirm that he had made the remarks, accusing the students who had relayed them to the press of lacking tact.

"I thought the Edinburgh students were tactless," the Prince told reporters who asked if he had not been "too blunt" in the conversation with the students.

China and Britain have agreed to cooperate during Hong Kong's run-up to Chinese rule in 1997, and suggestions of a breach could have serious effects on the territory's volatile financial markets, at a time when they are playing an increasingly important role in China's own development, analysts said.

Meanwhile, the royal party's visit to Guangdong, the fifth and final stop of the six-day tour, was in serious jeopardy from a typhoon that threatened to prevent the arrival of the royal yacht Britannia, on which the queen is to sail for Hong Kong Saturday night.

Many planned activities in Guangdong, including a tree planting, a visit to a children's recreation centre and extensive dockside farewell ceremonies, would be impossible in the heavy rain that the typhoon was expected to dump on the city if it strayed near the shore during the royal visit.

Aide on Fence-Mending Mission

HK200111 Hong Kong SOUTH CHINA MORNING POST in English 20 Oct 86 p 1

[By Alistair McIntosh]

[Excerpt] A British fence-mending mission is under way to repair the damage by Prince Philip's now notorious "slitty eyes" remarks in China.

The travelling Royal Household has dispatched a senior aide to Beijing to help efforts to sooth Chinese feelings over the Duke of Edinburgh's remarks, made during an informal meeting with a group of young Britons spending a year studying in China.

Asked by the SOUTH CHINA MORNING POST if he was going to Beijing to help pick up the pieces, the aide replied: "Yes, and there will be a lot of them."

Publicly, the Chinese Foreign Ministry is acting as if nothing happened.

Privately, Chinese officials feel that the Duke has confirmed their worst fears about the British.

They are particularly hurt the Duke should have given vent to his feelings after Chinese authorities had taken great pains to ensure that the visit was a success.

A large number of Chinese officials at both central Government and provincial level had been working for six months to prepare for the first visit to China by a ruling British monarch, according to one Foreign Ministry official.

Although the visit had been a great success in most respects, said an official, the Duke's comments had cast a shadow.

Salt was rubbed into the wounds by British press reports of the duke's comments.

Headlines such as "Great Wally of China", "Philip, You've Got It Wong," and "Queen Velly, Velly Angry" have confirmed feelings that the British, in spite of their strenuous efforts to woo China, have a racist and patronizing attitude towards. [sentence as published]

It is believed the Buckingham Palace aide who is going to Beijing instead of coming on to Hong Kong from Guangzhou, the Queen's final stop on her current journey, will try to explain that the Duke's remarks were intended jocularly.

He will, in effect, have to explain the British sense of humour to senior officials who see nothing remotely funny in having their country slighted by a man who, in their eyes, represents an outdated feudal system.

The Queen made no reference to the controversy which her husband's remarks generated in a farewell letter she sent from the Royal Yacht Britannia to the Chinese President, Mr Li Xiannian. [passage omitted]

QUEEN, DUKE ON FINAL LEG OF HISTORIC VISIT

Sightseeing in Kunming

HK171534 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 17 Oct 86

[Text] Today, Queen Elizabeth II of England and her husband Prince Philip, that is, the Duke of Edinburgh, went on a sightseeing trip in Kunming. They were given a warm welcome by the people they met on their way. Today, at 1000, accompanied by Wu Xueqian, state councillor and foreign minister, his wife (Bi Ling), Governor He Zhiqiang, and Vice Governor Zhu Kui, the queen and the duke went to the Xi Shan Park by car. The motorcade was about 1 km long. There was a large crowd on both sides of the road leading from (Jianzhunag) to (Gaoqiao), which is about a dozen km long. The people clapped their hands as soon as the queen approached.

Mayor [as heard] Pan Yingsheng of Kunming waited for the queen in front of the Parks San Qing building. At 1040, the motorcade arrived at the San Qing Building. The queen and the duke got out of their car and went up to the building on a brown carpet. With keen interest, they viewed the beautiful Dian Chi. Mayor Pan Yingsheng gave the queen and the duke a brief introduction to the Xi Shan and Dian Chi resorts. The queen and the duke expressed their admiration for Xi Shan and Dian Chi.

At about 1100, the queen left the San Qing Building and went to the Hua Ting Monastery. The monks and nuns there gave her a warm welcome. Accompanied by Lang Ran, chairman of the city Buddhist Association, and Kai Qi, abbot of the monastery, the queen viewed the 500 magnificent arhat statues. At the monastery's main hall, the queen said to Governor He Zhiqiang: They have been preserved so well. It must be a very difficult task.

After lunch at (Xi Yuan) Villa, at 1300, the queen and the duke took a trip on Dian Chi aboard a yacht named Long Men. Today, many junks could be seen on the vast expanse of the misty Dian Chi. During the voyage, the queen cheerfully watched fishermen catching fish with nets.

After the yacht pulled in to shore near the (Da Guan Lou) Park, the queen and the duke, accompanied by Foreign Minister Wu Xueqian, Governor He Zhiqiang, and Vice Governor Zhu Kui, planted three rose stems, brought from England, behind one of the park's rockeries.

At 1510, the queen went to the Yunnan Institute for Nationalities. More than 700 students sang and danced on both sides of the road to welcome the queen.

Accompanied by President (Li Li) and other responsible persons of the institute, the queen viewed a minority cultural relics exhibition. Shortly after that, she chatted with the teachers and students of the institute's Department of Foreign Languages and the English teachers there. In the institute's (Zhi Gong) Hall, students performed minority dancing. At the end of the performance, a responsible person of the institute presented a Bai Nationality costume to the queen and a flute to the duke.

Governor Gives Banquet

OW171538 Beijing XINHUA in English 1520 GMT 17 Oct 86

[Text] Kunming, October 17 (XINHUA) -- The governor of the southwest China's Province of Yunnan, He Zhiqiang, gave a banquet for the visiting British queen, Elizabeth II, and her husband Prince Philip, the Duke of Edinburgh, here tonight.

Summing up her experiences in Kunming in her toast, the queen said she had spent a most memorable day here. She found all the cities (she visited in China) were different and fascinating, she added.

After the banquet, the queen watched a program of minority people's dances and acrobatic items performed by local youngsters.

Welcomed to Guangzhou

OW180810 Beijing XINHUA in English 0707 GMT 18 Oct 86

[Text] Guangzhou, October 18 (XINHUA) -- British Queen Elizabeth II and Prince Philip, Duke of Edinburgh, arrived here from Kunming today in the company of Chinese State Councillor and Foreign Minister Wu Xueqian.

Landing at the Baiyun airport at 11:55 hours, the queen and her husband were greeted by Ye Xuanping, governor of Guangdong Province, and Zhu Senlin, mayor of Guangzhou. Two children presented bouquets to the royal couple.

Escorted by motorcycles, the royal couple were whisked away in a black limousine to the White Swan Hotel by the Pearl River. The streets, where the royal motorcade passed, were decorated with streamers, colored flags, balloons and potted flowers.

Foreign businessmen as well as those from Hong Kong and Macao attending the current China Export Commodities Fair lined the street in front of the exhibition building to get a glimpse of the queen. In the downtown area, local people gave the royal couple a rousing welcome. As the royal couple arrived at the White Swan Hotel, they were greeted by Henry Ying Tung Fok, vice-chairman of the board, and other executives of the hotel.

Honored at Guangzhou Banquet

OW180816 Beijing XINHUA in English 0710 GMT 18 Oct 86

[Text] Guangzhou, October 18 (XINHUA) -- British Queen Elizabeth II and her husband Prince Philip, Duke of Edinburgh, were honored at a banquet given by Governor Ye Xuanping of Guangdong Province soon after their arrival in this south China city today.

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Chinese State Councillor and Foreign Minister Wu Xueqian and British Secretary of State for Foreign and Commonwealth Affairs Geoffrey Howe were present.

The main table was decorated with Chinese and British national flags made up of flowers.

The queen and Governor Ye toasted the further expansion of the friendly relations of cooperation between China and the United Kingdom.

The queen and Prince Philip were served with roast piglet, swallow's nest and Cantonese pastry by waiters. The last course was assorted fruits arranged in the shape of a boat, symbolizing a plain sailing home for the royal couple at the end of their China visit.

After the banquet, Guangdong governor presented the queen and Prince Philip a potted landscape with a 60-year-old miniature tree known as "Fragrant in Nine Li (three miles)".

Hosts Reception, Ends Visit

OW181450 Beijing XINHUA in English 1442 GMT 18 Oct 86

[Text] Guangzhou, October 18 (XINHUA) -- British Queen Elizabeth II wound up her one-week state visit to China and left here aboard the royal yacht Britannia tonight.

Before leaving the Huangpu new port here, the queen gave a farewell reception on the royal yacht. The queen and her husband Prince Philip, the Duke of Edinburgh, welcomed aboard the guests, including Chinese State councillor and Foreign Minister Wu Xueqian and Guangdong Governor Ye Xuanping.

Messages Exchanged

OW101600 Beijing XINHUA in English 1534 GMT 18 Oct 86

[Text] Guangzhou, October 18 (XINHUA) -- British Queen Elizabeth II said before leaving China that her visit had set the seal on the warm friendship between her country and China.

She said this in a letter to Chinese President Li Xiannian before she and her husband the Duke of Edinburgh Prince Philip left here aboard the royal yacht Britannia tonight at the end of her one-week state visit to China.

Chinese President Li Xiannian sent a telephone message through Foreign Minister Wu Xueqian to the queen.

Li said in his message that the queen's visit had written down an important chapter into the annals of the Sino-British friendly relations and would certainly have a far-reaching impact on the further growth of friendly relations between the two countries and two peoples.

The queen further said in her letter that she had a most exhilarating stay in China.

She referred to Li's speech of welcome in Beijing on the excellent state of Sino-British relations which, she added, had enabled her to pay a visit to the People's Republic of China.

The queen expressed the hope that the visit would provide a foundation for the building of even closer contacts.

In her letter to another Chinese leader Chairman Deng Xiaoping, the queen said her visit symbolized that the relations between the two countries had reached a new degree of warmth and friendliness.

Before leaving the Huangpu new port here, the queen gave a farewell reception on the royal yacht for Foreign Minister Wu Xueqian, who had accompanied the royal couple on the tour, Guangdong Governor Ye Xuanping and other guests.

The reception ended with the royal band beating a retreat.

A send-off ceremony was held on the dock, with over 2,000 well-wishers beating drums and gongs, playing music, and performing traditional Chinese dances.

Wu Xueqian and Ye Xuanping were present at the ceremony.

The queen waved back while the yacht left the port at 8:30 p.m.

ZHONGGUO TONGXUN SHE COMMENTS ON ROYAL VISIT

HK180942 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0759 GMT 18 Oct 86

[Commentary by reporter Xu Shaoling (6079 1421 3781) on the Queen's China visit: "A Visit Has an End, But Friendship Is Endless"]

[Text] Guangzhou, 18 Oct (ZHONGGUO TONGXUN SHE) -- Today, Queen Elizabeth II of England and Prince Philip, the Duke of Edinburgh, arrived in Guangzhou, the last destination of their China visit. Tomorrow, they will leave for Hong Kong aboard the royal yacht "HMS Britannia." They will return to London by airplane after a 2-day stay in Hong Kong. During her China visit, the queen had gone to Beijing, Shanghai, Xian, Kunming, and Guangzhou. Wherever she went, she was treated with utmost courtesy. China has given the British guests a most memorable impression. At a banquet given by the governor of Yunnan, the queen said that her visits to various cities had all been all very memorable.

Michael Shea, spokesman for the royal household, described the queen's visit as a historic event. He said: As the queen's secretary for 8 and a half years, I have been with the queen on her visits to 52 countries. However, I have never seen such a big crowd nor experienced such a warm welcome. He continued: In every city the queen visited, there was always a big crowd on both sides of various roads or near the hotel where the queen stayed. The scene was indeed moving.

Queen Elizabeth II of England had visited China at the invitation of President Li Xianning. She is the first British Monarch in history who has visited China. Her visits to socialist countries in the past 30 years or so since her coronation have been few and far between. Thus, her current visit has drawn attention from various quarters.

Judging by the elaborate ceremonies, people have noticed that China takes the queen very seriously. During her visit, Chinese leaders Li Xiannian, Deng Xiaoping, Hu Yaobang, and Zhao Ziyang [order as published] successively met the queen. It seems that China regards her not only as the state head of Britain but also as the honorary leader of the British Commonwealth.

Of course, what is more important is Sino-British relations, which are unprecedentedly good. Historical shadows over Sino-British relations have disappeared since the satisfactory settlement of the Hong Kong issue by the two governments. In a sense, Sino-British relations have entered a "honeymoon period." While meeting Queen Elizabeth II in Zhongnanhai, Hu Yaobang said that Sino-British relations are now in the best period and that they will become more excellent in the future.

What is worth mentioning is that China has shown a great interest in British science and technology and that Britain also intends to enter the large Chinese market. During the queen's visit, 25 British entrepreneurs including Sir (James Clemmingson), chief of the British Overseas Trade Bureau; and Sir (Eric Sharp), chairman of the board of the British Cable and Wireless Company, held a large-scale "symposium on Sino-British economic and trade cooperation" with high-ranking Chinese trade officials in Shanghai. They discussed the problem of cooperation in fields of energy, transport, telecommunications, food processing, mining, and metallurgical industry. During the two-day symposium, both sides discussed 25 projects for cooperation, and agreements were reached on 14 of them. Two contracts were signed, including cooperative projects between the Cable and Wireless Company Limited and Jiangsu and Zhejiang Provinces -- the Changjiang Delta projects and the Shanghai telecommunications projects, amounting to 50 million pounds. Britain will play a positive role in developing China's coastal open cities. It can be expected that trade between China and Britain will increase by a large margin.

The queen's visit to China has brought friendship, but what is more important is that her visit will add a new chapter to the history of Sino-British relations. This is, naturally, a prospect we are glad to see.

TA KUNG PAO ON SIGNIFICANCE OF QUEEN'S VISIT

HK190654 Hong Kong TA KUNG PAO in Chinese 19 Oct 86 p 1

[Special dispatch from Guangzhou by staff reporter Li Huifen (2621 1920 7358): "Far-reaching Significance of the Queen's Visit to China"]

[Text] Guangzhou, 18 Oct (TA KUNG PAO) -- The British queen has rounded up her visit to China. Both the Chinese and British sides have highly appreciated this visit, agreeing that it has laid a new milestone for the development of cooperation between the two countries.

The queen's Beijing trip as the first part of her itinerary indicated that China had set store by the visit -- all four top party and government leaders of China met with the queen separately in a special atmosphere. All of them unanimously emphasized that exciting progress had been made in the development of the relations between China and the United Kingdom in the past 2 years since the conclusion of the agreement on the issue of Hong Kong. The queen's current visit will give a great impetus to the further in-depth development of the relations between the two countries and the friendship between the two peoples.

The British side shares the same view with China. The queen asserted: In the past 2 years, earnest efforts have been devoted to the thorough and smooth implementation of the Joint Declaration. And the cooperative spirit that has been established in this way will continue to lay a reliable foundation for the implementation of the thoughtful policy that is profoundly embodied in that document.

This indicates that the two sides are keeping pace with each other in enhancing their good relationship. As for the timing of the visit, it in no way means that there was no suitable opportunity for a royal visit in the past but that now is the most opportune moment for the queen to pay her visit, since the Sino-British joint declaration on the issue of Hong Kong has been in force for 2 years and everything has been brought onto the right track.

Regarding the economic field, the queen's current visit to China has also fulfilled the aim of enhancing the trade relations between China and the United Kingdom. While the queen was touring the Great Wall, another spectacular event was going on in Shanghai -- the queen had lent the royal yacht "Britannia" for trade talks held on the sea between Chinese and British businessmen and officials, which resulted in the signing of 14 agreements and letters of intent involving a total value of hundreds of millions of dollars.

In the meantime, in order to open up a new chapter in the cultural relations between China and Britain, the queen chose the welcoming banquet in Beijing to announce the establishment of British Royal Society Foundation for Chinese Research Fellows. Thanks to this foundation, first-rate Chinese and British scientists will have the opportunity to work together so as to make greater efforts for their countries, both of which have their own long history.

Deng Xiaoping said that the queen's itinerary had been well planned. Now that the whole trip has been rounded off, one has to agree that Deng was right. The queen's 5,000 odd-kilometer journey in China included an overview of both the vertical and cross sections of the country. The queen first arrived in Beijing, the capital and political and cultural center of China; and then she flew to Shanghai, an industrial and commercial city; after that she toured Xian, a famous cultural city; Kunming, a natural scenic area lying in the southwestern corner of the country; and, finally, Guangzhou, a coastal city that is opened to the outside world. Just as the queen put it, although she has seen only a very limited part of China, it is indeed a rare chance to have an overview of China's development in all fields during a single trip.

The queen's China tour has now wound up. But it also marks the beginning of a new era in which China and Britain will advance side by side while maintaining closer relations. In brief, the queen's current visit to China is a truly important milestone in the history of Sino-British relations.

BULGARIA'S LUKANOV, PARTY HERE FOR VISIT

Meet Yao Yilin

OW171928 Beijing XINHUA in English 1620 GMT 17 Oct 86

[Text] Beijing, October 17 (XINHUA) -- Chinese Vice-Premier Yao Yilin met Andrey Lukanov, first vice-chairman of the Council of Ministers of Bulgaria, and his party here today.

During the meeting, both sides said that the two countries should share their experiences in socialist economic construction. They have great potential for economic and trade cooperation and should actively explore new areas of cooperation, they noted.

After extending a welcome to Lukanov on his first visit to China, Yao said that over the past few years Sino-Bulgarian relations have seen a healthy trend of growth in the economic, political, cultural and other fields. He said he is satisfied with the growth of bilateral relations.

Yao spoke highly of the thesis that in socialist economic construction, the ownership of social wealth should be separated from the power of operation, a thesis put forward by Todor Zhivkov, chairman of the Bulgarian State Council.

Lukanov said what he saw and heard over the last two days has shown China is progressing in a positive manner. This is important not only for the Chinese people but also for the people of the rest of the world.

He said Bulgarian-Chinese relations are good, their political dialog is deepening, and economic and trade contacts are increasing.

Four Documents Signed

OW181527 Beijing XINHUA in English 1216 GMT 18 Oct 86

[Text] Beijing, October 18 (XINHUA) -- China and Bulgaria signed four documents here today.

They are 1987 protocol between the Chinese and Bulgarian Governments on goods exchange and payments, agreement between the Chinese Ministry of Foreign Economic Relations and Trade and the Bulgarian Commission for Labor and Social Affairs on vocational training and work of young Chinese workers in Bulgarian enterprises, 1987-1991 agreement between the Chinese State Education Commission and the Bulgarian Ministry of Public Education on direct cooperation in higher education, and memorandum on cooperation between the Chinese State Science and Technology Commission and the Bulgarian State Commission for Research and Craft.

Chinese Vice-Premier Li Peng and Andrey Lukanov, first vice-chairman of the Council of Ministers of Bulgaria, attended the signing ceremony.

Talks With Li Peng

OW181611 Beijing XINHUA in English 1553 GMT 18 Oct 86

[Text] Beijing, October 18 (XINHUA) -- Chinese Vice-Premier Li Peng said here today that China, with an active attitude, sincerely hopes to enhance friendly cooperation in various fields with the socialist countries in Eastern Europe.

Li said this during his second round of talks with Andrey Lukanov, first vice-chairman of the Bulgarian Council of Ministers.

In recent years, he said, big progress has been made in relations between China and the socialist countries in East Europe, not only in economic and technological cooperation but also in political dialogue.

Li also exchanged views with Lukanov on their respective countries' foreign policies and domestic situations.

Li said China perseveres in self-reliance and decides its attitude by distinguishing between right and wrong.

China, he stressed, will never align itself with any other country or group of countries, nor will it form strategic relations with any big powers.

At the same time, he added, China fully respects the foreign policies of other countries, including Bulgaria, which have been formulated according to their own conditions.

Andrey Lukanov said that the people of the world are now at a crossroads: To engage in their own countries' economic construction through international cooperation, or to aggravate the international tension and engage in the arms race.

Bulgaria adopts a peaceful foreign policy, he said. It maintains that every country, big or small, should make contributions to safeguarding world peace and avoiding nuclear war, he stressed. He said that Bulgaria is in a very important period of socialist construction. It is carrying out a structural reform to promote the socialist construction according to the principle that the ownership of social wealth should be separated from the power of operation.

Li briefed the Bulgarian visitors on China's on-going economic reform. To suit the economic reform, he said, China will also carry out political reform so as to improve its socialist system.

During the meeting, both sides also exchanged views on bilateral cooperation in the fields of economics, trade, science, technology and education.

Bulgarian Ambassador to China Doncho Donchev gave a banquet this evening on the occasion of the China visit by Lukanov and his party. Among those present were Li Peng and his wife, Zhu Lin, State Councillor Chen Muhua, Minister in Charge of the State Economic Commission Lu Dong and Minister of Light Industry Yang Bo.

Lukanov and his party will leave here tomorrow for a tour of Tianjin, Shanghai, Guangzhou and Shenzhen.

Talks With Li Peng

OW181611 Beijing XINHUA in English 1553 GMT 18 Oct 86

[Text] Beijing, October 18 (XINHUA) -- Chinese Vice-Premier Li Peng said here today that China, with an active attitude, sincerely hopes to enhance friendly cooperation in various fields with the socialist countries in Eastern Europe.

Li said this during his second round of talks with Andrey Lukanov, first vice-chairman of the Bulgarian Council of Ministers.

In recent years, he said, big progress has been made in relations between China and the socialist countries in East Europe, not only in economic and technological cooperation but also in political dialogue.

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He and Political Commissar Deng Xiaoping organized and commanded many important operations. In June 1947, they led a 100,000-strong army to cross the Huang he and marched for 1,000 li into the Dabai Shan, thrusting into the internal part of the Kuomintang-controlled area. Led by Liu and Deng, this mighty army, which caused the enemy to be panic-stricken and swept away all obstacles, wrote a brilliant chapter on strategic counterattacks in the history of our army. In the series of important operations, in particular the Shangdang, Ping-Han, Huai-Hai, and Cross-Chang-Jiang campaigns, Comrade Liu Bocheng demonstrated his extraordinary military commanding artistry. He had immortal merits in overthrowing the reactionary rule of the Chiang Kai-shek clique and in founding the PRC.

At the end of 1950, Liu Bocheng was assigned the task of establishing a military academy and was appointed as the president and concurrently the political commissar of the academy. He said: "We should stress learning new things without being divorced from the actual situation of China's revolutionary war." "It is imperative to keep to the guiding thought of building modern national defense on the present foundation of our army." Due to the implementation of the principle of integrating theory with practice in running the school as Comrade Mao Zedong consistently advocated, the academy, within a few years, trained a large number of high- and middle-level military commanders noted for their ability and political integrity, making significant new contributions to promoting the building of a modern and regular revolutionary army.

Comrade Liu Bocheng was a member of the 7th to the 11th CPC Central Committees, a member of the Political Bureau of the 8th to the 11th CPC Central Committees, and a vice chairman of the 2d to the 5th NPC standing Committees. He was given the title of Marshal of the PRC in 1955 and had been a vice chairman of the Military Commission of the CPC Central Committee since January 1966. After 1982, however, he no longer filled any leading posts of the party, state, and army because of his age and health condition. With meritorious deeds and high integrity, Comrade Liu Bocheng enjoyed deep affection and respect from the hearts of the whole party, the whole army, and the people of all nationalities around the country.

In mourning Comrade Liu Bocheng, we must learn from him his noble revolutionary spirit and outstanding thought and character.

Comrade Liu Bocheng was infinitely loyal to the party and he always obeyed the leadership of the party Central Committee, the Central Military Commission and the party organizations to which he belonged. He said: "My oath at the time I joined the party was 'absolutely obey the party.'" He later always stressed to himself: "I am a senior cadre of the revolutionary army under the leadership of the party. I must show infinite loyalty to the party, set a good example for others, and educate the troops under my command to completely accept the party's centralized leadership and become honorable tools of the party." For several decades, his actions were as good as his words. He faithfully carried out his oath and became a model for the broad masses of cadres of the whole party and the whole army, especially for the senior cadres.

Comrade Liu Bocheng had great wisdom and courage. For the cause of the Chinese people's liberation, he always demonstrated the spirit of self sacrifice and took the initiative to assume the most arduous and dangerous tasks. He faced danger fearlessly and never evaded difficult tasks. He dared to go through fire and water and was duty-bound not to turn back. Using his foresight and strategic vision as a proletarian expert in military affairs, he despised all seemingly powerful opponents, took the initiative to dominate the military situation and defeated strong enemies. During his several decades of military life, he fought numerous battles and was wounded nine times.

Comrade Liu Bocheng liked to learn and was a very diligent reader. He adhered to the fine study style of combining theory with practice. He always attached importance to studying Marxist theory and Chinese and foreign military books from ancient to modern times. He creatively used that knowledge by integrating it with the actual situation of the Chinese revolutionary war. He was a noted Marxist military theorist of our party. His excellent art of military command, his strategy, and his original military writings formed an important component part of Mao Zedong Military Thought.

Comrade Liu Bocheng was open and aboveboard, honest and upright in his ways, and openhearted. He always took the whole situation into consideration, set strict demands on himself, but was lenient toward other people and never complained even if he was wrongly treated. Comrade Liu Bocheng received unfair treatment during criticism against the so-called dogmatic tendencies on military building in 1958, but he still strictly examined himself. In 1980, Comrade Deng Xiaoping clearly pointed out: "Anti-dogmatism during that time was wrong." This was also the unanimous opinion of the party Central Committee.

Comrade Liu Bocheng achieved great deeds and occupied high positions for a long period. However, he practiced frugality and was honest in performing his official duties. Throughout his revolutionary life, he truly worked wholeheartedly for the cause of the party and people, refrained from claiming credit for himself despite his great deeds, voluntarily left high positions, and never monopolized power. He always enthusiastically educated his children, family members, relatives, old acquaintances, and staff members working with him and set strict demands on them. His revolutionary family style was deeply praised by all people.

In his later years, Comrade Liu Bocheng suffered from repeated illness but he still showed great concern for military building, national defense, and preparations against war. He called himself a "staff member not inside the organization" of the Military Commission. He actively made proposals to the Military Commission on strategic matters, military education and training, the building of military academies and schools, logistical support, and other things until he totally lost his power to think. He really spared no effort in performing his duty.

The passing away of Comrade Liu Bocheng is a great loss to our party, our army, and the people of our country. We must translate our grief into strength and work hard with concerted efforts to build our country into a modern and powerful socialist state with a high degree of civilization and democracy and to turn our army into a modern and regularized revolutionary army.

Eternal glory to Comrade Liu Bocheng!

HU YAOBANG DISCUSSES PARTY REFORM IN LIAOWANG

HK200824 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0949 GMT 19 Oct 86

[Text] Beijing, 19 Oct (ZHONGGUO XINWEN SHE) -- The latest issue of LIAOWANG magazine reveals that General Secretary Hu Yaobang said that our party will work out a plan for political structural reform within 1 year when he recently met with a WASHINGTON POST reporter delegation.

Hu Yaobang said this when answering the reporters' questions about the settlement of the leadership succession in China. He said: The general orientation and principles for party and state leader succession have been laid down.

First, it will be clearly stipulated that no lifelong tenure of leading positions will be maintained and no person can have the right to hold a leading position throughout his life. Second, the collective leadership system for the party and state will be clearly stipulated so as to prevent power from being concentrated in the hands of individuals. Third, a political structural reform program will be worked out within 1 year. On the basis of these three points, the 13th party congress next year will be able to better solve the succession issue of the party and state leadership.

When talking about the obstacles to the current reforms, Hu Yaobang said that in general, China's reform is developing smoothly, but it does not mean that there is no resistance. The resistance comes on the one hand from the leadership's lack of experience. On some issues, the leadership is hesitant or fails to work out a well-considered plan. On the other hand, the resistance comes from a small number of people's small production mentality and force of habit. He said: Reform is like a ball game under new rules, but the referee is still the old referee. In order to overcome such resistance, it is necessary first to, conduct persuasion and education among the people and second, to rely on practice.

RENMIN RIBAO COMMENTATOR ON NATIONAL CONSTRUCTION

OW182323 Beijing XINHUA Domestic Service in Chinese 0903 GMT 18 Oct 86

[RENMIN RIBAO Commentator: "Keep National Construction in the Forefront of Our Thoughts"]

[Text] Beijing, 18 Oct (XINHUA) -- In China's bright, sunny political sky,, a new, heartwarming sound is reverberating: the "Resolution of the Central Committee of the Communist Party of China on the Guiding Principles for Building a Socialist Spiritual Civilization" proposes that in building socialist spiritual civilization, we should "always keep national construction in the forefront of our thoughts."

It is very important to acquire a deep understanding of the basic essence of "keeping national construction in the forefront of our thoughts" while studying the "resolution."

Thirty years ago, when the socialist transformation was basically completed, the song of peaceful construction was being sung throughout China. However, ever since the growing discordant sound of "taking class struggle as the key link" was suddenly introduced, the main melody of construction fluctuated and became intermittent. In particular, in the cultural and ideological fields, gunsmoke and bullets rained down for a long time. Sayings such as "make our pens guns" and "be vanguards on the ideological frontline" graphically described the condition at that time. Sayings such as "destruction comes first," "mass criticism leads the way" and "philosophy of struggle" were the steadfast standards. All these non-constructive views and goings on hampered and undermined educational, scientific, and cultural development and ideological and ethical well-being, interfered with and had violent impact on economic construction, and delayed the advance of history. Their influence is still felt even today, so much so that when building the socialist spiritual civilization is mentioned, some comrades take it for granted that "criticism and repudiation" and "ban and prohibition" have returned. The advancing of "keeping national construction in the forefront of our thoughts" should now serve as an easing, reassuring pill of lasting effect to those comrades who entertain lingering fears. Gone forever are those tragedies of criticisms and repudiations which happened time and again in the ideological field to hurt comrades and undermine unity. We have entered a new period of construction.

As the "resolution" states, to always keep national construction in the forefront of our thoughts means we should do everything possible to unite the people and bring their socialist enthusiasm and initiative into play, to meet their cultural and intellectual needs, to raise their ideological and ethical standards, and to develop education, science, and culture. In short, we should do everything possible to facilitate the growth of the productive forces. It is especially important to stress the point of bringing the people's initiative into play. Without creation, there can be no construction. Since we should always keep national construction in the forefront of our thoughts, we must protect and encourage the people's initiative. This determines the purpose of socialist spiritual civilization, which is to add to what we have rather than serve as a destructive force.

In this sense, therefore, the philosophy of today's Chinese Communists is a philosophy of construction. We must not only be good at destroying the old world but also, more importantly, be good at building a new world. This is required for the building of material civilization. This is also required for the building of spiritual civilization. Only by keeping national construction in the forefront of our thoughts will we be able to successfully promote socialist spiritual civilization and ensure that progress is made in building material civilization.

Of course, not all viewpoints concerning national construction will be the same. But we must deal with this problem only by constructive methods. Discussion rather than criticism, reason instead of compulsion should be the rule in dealing with ideological problems. The purpose of discussion and reasoning is to get to the heart of the problem and seek a scientific answer to it. This, too, calls for the spirit of construction.

RECTIFICATION OFFICE ON VILLAGE PARTY WORK

OW190126 Beijing XINHUA Domestic Service in Chinese 0315 GMT 17 Oct 86

[Excerpts] Beijing, 17 Oct (XINHUA) -- The Office of the Central Commission for Guiding Party Rectification recently pointed out: To make village-level party rectification successful, the most important thing is for party committees at all levels, in particular county party committees, to strengthen their leadership. At present, county party secretaries in many places are buried by heavy and irksome chores and, therefore, cannot spare any time or energy to conduct the party rectification task well. This situation must be changed. For this reason, the Office of the Central Commission for Guiding Party Rectification transmitted the Fujian Provincial Party Committee's circular on ensuring that the secretary or deputy secretary of the county party committee in charge of party rectification can concentrate his energy on party rectification during the period of village-level party rectification. [passage omitted]

The Office of the Central Commission for Guiding Party Rectification dispatched 12 work teams to places throughout the country in early September to investigate local preparations for village-level party rectification. These teams noticed that only forceful leadership of the county party committee led to adequate preparation. [passage omitted]

These investigation teams also realized that most county party secretaries wanted very much to make village-level party rectification a success. But they had to attend too many meetings. One county party committee secretary attended meetings on as many as 26 days during the 45-day period from 1 August to 15 September. Yet, he had many other things to do as well. No wonder he had little time to oversee the party rectification work. This is not quite an isolated case. It is quite common. If this situation is not quickly changed, village-level party rectification can hardly be carried out successfully.

After hearing the investigation teams' reports, leading comrades of the Central Commission for Guiding Party Rectification said: At the outset of party rectification in the countryside, it was specifically pointed out and repeatedly stressed that the county party committee must shoulder the full responsibility. If strengthening leadership remains merely lip service or only words in writing without actually being done, this kind of work style itself does not conform and runs counter to the purpose of party rectification. A competent county party committee secretary must take whole situation into consideration and differentiate between what is important and what is less important. It is now emphasized that a division of labor should be exercised between the party and the government. The party must take charge of its affairs. It is a matter of course that county party committee secretaries should concentrate their energy to conduct party rectification well. Now, while acting in the spirit of the "Resolution of the Central Committee of the Communist Party of China on the Guiding Principles for Building a Socialist Spiritual Civilization," county party committee secretaries must pay attention to party building and village-level party rectification. At the same time, from the party Central Committee to provinces, regions, municipalities, and to prefectures and cities, each higher level of supervision or operational department must learn from the Fujian Provincial Party Committee's method, create favorable conditions for and warmly support county party committee secretaries in concentrating their energy to conduct village-level party rectification well, and ensure that they may do so.

OFFICIAL SEES 'NO ROOM' FOR PRIVATELY-RUN PAPERS

HK190414 Hong Kong SUNDAY STANDARD in English 19 Oct 86 p 7

[By Yan Mei-ning]

[Text] Although much improvement is needed in Communist China's press, there is definitely no room for privately-run newspapers, according to a highly-regarded Chinese columnist, Mr Xu Shi.

Mr Xu has earned great popularity with the Guangzhou population by contributing a daily commentary column to the YANGCHENG EVENING NEWS.

Using the pseudonym of "a tiny voice", his column concentrates on voicing the opinions and complaints of the average citizen.

The column also attracts much attention because Mr Xu dares to raise problems and short-comings of the administration.

Mr Xu was elected recently as one of the 10 outstanding public servants in Guangzhou. The election was similar to a public opinion poll and was conducted for the first time in the city by a municipal party committee supported magazine.

"Readers in China have developed a habit of reading newspapers from the bottom to the top. Most front page leads in our country serve as directives from top level decision makers. A gap therefore has been created between the lead story and the masses, said Mr Xu in an interview with the SUNDAY STANDARD.

"In addition, many news items published in the press in China are not really new.

"They try to deceive the readers by saying the event 'has recently taken place'," said Mr Xu, who not long ago retired from the YANGCHENG EVENING NEWS as editor.

"What we should report is yesterday (for daily papers) or this morning (for evening papers).

"Regardless of the political system, be it socialist or capitalist, news reporting should have the same characteristics and basis. Things reported in the press should be things of publishable value, which have happened very recently,"

He therefore advocates that the press in China should learn more from others' experience.

"We should learn from the good experience of pre-1949 China and the newspapers in the capitalist system, and discard the belief that we are the most righteous."

Mr Xu also criticized the belief that important articles must be very long.

"Long articles are written only for the author's enjoyment, because 80 to 90 percent of the readers will not read them. This is a big failure if we want our message to reach all sectors of society," he said.

YANGCHENG EVENING NEWS has the reputation of being the most lively and liberal paper among its fellow newspapers in the country.

It was closed down during the Cultural Revolution. Since its revival, it has taken the lead in introducing short articles and commentaries which are more reader-oriented.

Mr Xu said he was not afraid of any persecution. "My articles are only revealing facts. The masses have no place to air their views. So, as long as I have their support, I will not fear any attacks."

Asked whether commentary articles of his type would be allowed in China, Mr Xu said, depends very much on the political atmosphere of the country and the attitude of the Guangdong provincial party committee in particular.

"It is a combination of the right time, place and person," he added.

"My efforts should not be ignored. One must have confidence to write such commentaries. Articles which carry no critical points have no thought in them. I would rather close my eyes and take a rest than write that sort of thing."

But Mr Xu did not agree to his being elected as an outstanding public servant because of writing his column in the YANGCHENG EVENING NEWS.

"I am in a privileged position. I can express my opinion every day in the press, but others cannot."

Though he sounded liberal throughout the interview, Mr Xu toed the line of the Chinese Communist Party when it came to the possibility of publishing privately-run newspapers in the country.

"All our newspapers are published by government, party or public organisations. I am strongly against privately-run newspapers because it is difficult to control private enterprises," said Mr Xu.

His words certainly carry weight as he is serving on the standing committee of the Guangdong People's Congress and at the same time is the vice-chairman of the Guangdong Journalists Association.

"In capitalist countries, the rule of law is strict and stern. In our country, we are still in a stage of ruling by man, and control by law is not strong enough.

"If privately-run newspapers were allowed, publishers would increase their circulation and earn a lot of money by printing pornographic stories and pictures. In such a big country as China, it is not at all difficult to find 1 or 2 million backward readers," Mr Xu explained.

XINHUA SPEEDS UP NEWS DISPATCHING SYSTEM

OW140600 Beijing XINHUA Domestic Service in Chinese 1303 GMT 11 Oct 86

[By RENMIN RIBAO reporter Chen Shurong and XINHUA reporter Wu Shishen]

[Text] Beijing, 11 Oct (XINHUA) -- China has achieved a breakthrough in speeding up news dispatches by using a microcomputer system. Every day XINHUA dispatches with unprecedented speed domestic and foreign news to various newspapers and radio and television stations.

At 1900 on 28 September, XINHUA transmitted the communique and "Resolution of the CPC Central Committee on the Guiding Principles for Building a Socialist Spiritual Civilization" which were adopted by the 6th Plenary Session of the 12th CPC Central Committee. It took only 7 minutes for press units to receive the 12,000-odd character scripts.

Speed is a virtue of the microcomputer system, which XINHUA has formally put into use in its partial network for Chinese transmission since the beginning of this year.

Since the 1950's, China has used facsimile to dispatch news in Chinese at an average of 2 characters per second. At this speed, the transmission of the communique and the resolution of the 6th Plenary Session of the 12th CPC Central Committee would have taken nearly 2 hours. Now, the new news dispatching system is capable of transmitting 30 characters per second, 15 times the speed of facsimile. At the same time, consumers can receive clear and neat transmissions, enabling radio announcers to read directly from the transmission. In this way, news dissemination is considerably sped up.

According to reports, this news dispatching system has story input, editing, revising, storage, dispatching, and printing functions. At XINHUA's Chinese transmission center, the reporters saw operators putting news reports into the computers. After revising and proof reading, these reports will be automatically lined up and dispatched to consumers by the computers.

Presently, the microcomputer-controlled system for receiving news reports has been installed at 36 newspapers and radio stations across the country. When the system has been installed at all the country's newspapers and radio stations, news transmission in China will certainly see a significant change.

Jointly developed by XINHUA and the Commission of Science, Technology, and Industry for National Defense, with assistance from the Ministry of Electronics Industry and the Ministry of Posts and Telecommunications, the microcomputer system for processing Chinese news reports passed state tests today. In the experts' opinion, the practicality and reliability of this system has reached the current international level, and it is a major achievement in China's applied science and technology. Zhang Aiping, state councillor and minister of national defense, attended the test. Highly pleased with the accomplishment, he took up a writing brush and wrote down these words in Chinese ink: "Many technologies can be shared by military and civilian departments. In disseminating news, the processing system is a pioneer. While our news reports are disseminated on five continents, the people have again scored a new victory in airing the voice of China."

Representatives from a number of press units in the capital pointed out: A major task for reforming the press is to speed up news transmission. The 9 months since XINHUA began to use the microcomputer system for its Chinese transmission have testified to the great significance of the system in accurately and promptly disseminating information.

XI ZHONGXUN ADDRESSES CPPCC STANDING COMMITTEE

OW171100 Beijing XINHUA Domestic Service in Chinese 0755 GMT 13 Oct 86

[Text] Beijing, 13 Oct (XINHUA) -- Speech by Xi Zhongxun at the 13th Session of the 6th CPPCC National Committee Standing Committee:

Comrades and friends!

The 6th Plenary Session of the 12th CPC Central Committee has just been concluded. The 6th CPPCC National Committee Standing Committee has convened this 13th session to relay, study, and implement the guidelines set at that CPC Central Committee plenary session. As entrusted by the CPC Central Committee, I am going to talk to you about that plenary session and its basic guidelines. I will also brief you on the current economic situation and economic work.

The 6th Plenary Session of the 12th CPC Central Committee was a meeting marked by democracy and unity -- a meeting of vital significance and far-reaching influence. An important achievement of the plenary session was the adoption of the "Resolution of the Communist Party of China Central Committee on the Guiding Principles for Building a Socialist Spiritual Civilization." This resolution is an extremely important historical document resulting from ample deliberations and preparation and the development of extensive democracy. It is not only a collection of the whole party's wisdom, but it also includes the opinions of various democratic parties and people with no party affiliation. In the process of revising this document, many people, including comrades and friends who are here today, made good suggestions.

Based on the principle of combining fundamental Marxist tenets with China's actual situation, the resolution further expounds on the strategic importance, basic tasks, and fundamental guiding principles of building socialist spiritual civilization. It is a programmatic document for strengthening the building of socialist spiritual civilization in our country in the new historical period.

After the document was published strong repercussions appeared both inside and outside the party. During the period of national day celebrations many organizations made arrangements to study the document. Vast members of cadres and masses believe that this is a good Marxist document, a document that connects and accords with the "Decision on Reform of the Economic Structure" adopted by the 3d Plenary Session of the 12th CPC Central Committee and is comparable with the latter. Intensive implementation of the resolution is bound to have an enormous and far-reaching effect on pushing forward the building of the two civilizations in our country, on all-round reform and opening to the outside world, and on building socialism with Chinese characteristics.

This plenary session and the resolution it adopted also drew extensive concern and attention internationally. The international opinion is that the resolution is of strategic importance to China's future.

Using Marxism and Mao Zedong Thought as tools, the resolution sums up China's historical experience and its fresh experience since the Third Plenary Session in building socialist spiritual civilization, analyzes the current situation and work, and answers new questions regarding ideology and understanding that arise in practical work. Its contents are very rich and impressive. Now let me state some experience I have gained in learning this document, so that we can study the experience together: I think the resolution has the following characteristics.

First, the resolution upholds and develops the 12th party congress' guidelines. It epitomizes the overall scheme of our socialist modernization as "one key link and three tasks to be carried out unswervingly" -- that is, to take economic development as the key link and to unswervingly reform the economic structure, reform the political system, and strengthen the building of spiritual civilization. The resolution urges all comrades in the party to properly assess the strategic importance of building socialist spiritual civilization by proceeding from this overall scheme. On this basis it puts forward the basic guiding principles for building socialist spiritual civilization, that is, the work of building socialist spiritual civilization must be one of building a spiritual civilization to push socialist modernization forward, promote all-round reform and opening to the outside world, and uphold the four basic principles. The resolution unequivocally points that during the socialist period material civilization provides material conditions and practical experience for the development of spiritual civilization, while spiritual civilization gives spiritual impetus and intellectual support to the development of material civilization and provides a powerful ideological guarantee of its correct orientation. The resolution stipulates that the basic task in building the socialist spiritual civilization is to help people become well-educated and self-disciplined socialist citizens with lofty ideals and moral integrity and to raise the ideological and ethical standards of the whole Chinese nation, as well as its educational and scientific levels -- all in the interest of meeting the needs of socialist modernization.

I believe that this is the basic guideline set by the resolution. This basic guideline adheres to and develops the guidelines laid down by the 12th CPC National Congress. It completely conforms with the general requirements for building socialism with Chinese characteristics and with the Marxist ideological line of seeking truth from facts. On the basis of this basic guideline, the resolution clearly points out: It is necessary to mobilize and unite the people of all China's nationalities through a common deal.

The common ideal of the people of all our nationalities is to build socialism with Chinese characteristics and make China a modern socialist country that has a high degree of democracy and civilization. This is the inevitable conclusion of combining Marxist basic theories with the actual conditions in China, integrating the lofty ideal of realizing communism with China's goal of struggle at the present stage, and summing up the new situation since the convocation of the 12th National CPC Congress, particularly after summing up our past experience in the past 30-some years since New China was founded.

In the 30-some years since New China was founded we have experienced successes and learned bitter lessons. One of the lessons is that after the basic completion of socialist transformation we still persistently took the class struggle as the key link, failing to shift the focus of our work to economic construction. Another lesson is that, ignoring the level of the development of our productive forces, the level of awareness of the people in the society, and basic social historical conditions, we imposed subjective ideas or unrealistically high standards on people and sought to build absolutely pure socialism. We wanted to make even larger adjustments to the relations of production and achieve an even higher degree of public ownership. We sought to chop off capitalism's tail and adhere to the socialist road under difficult conditions. All this actually distorts socialism and communism. As a result, it only serves to seriously harm our revolution and construction. We should forever keep in mind the misfortune brought about by this kind of unrealistic and unpopular guiding ideology. There is no doubt that our party's ultimate ideal is to build a communist society that applies the principle of "from each according to his ability and to each according to his needs." All conscious communists should never forget this point. At the same time, we must understand that socialism with Chinese characteristics is an indispensable stage in realizing the aforementioned ultimate ideal. All mature communists should fully understand this point. In pointing out the strategic importance, basic tasks, and fundamental guidelines of developing spiritual civilization, this resolution stressed China's goal and tasks at the present stage, as well as the need to make reform, implement the policy of opening the country to the outside, and develop the socialist modernization program.

Second, the resolution not only upholds the four cardinal principles, but also advocates the policy of reforming and opening to the outside world. Our experience since the 3d Plenary Session of the 11th CPC Central Committee proves that we must adhere to the four cardinal principles and firmly implement the policy of implementing reform and opening to the outside world in order to build socialism with Chinese characteristics. If we only adhere to the four cardinal principles without stressing the need to implement the policy of implementing reform and opening to the outside world, we will be forced to take the beaten path. If we only stress the need to implement the policy of implementing reform and opening to the outside world without adhering to the four cardinal principles, we will lose our bearings in forging ahead. The resolution correctly handles the relations between the two. It clearly points out: Our spiritual civilization must promote the all-round reform and opening to the outside world and embody the four cardinal principles. Thus, it has eliminated one of the people's worries that to stress the need to adhere to the four cardinal principles and develop spiritual civilization means to "forbid people to express different opinions" and that the policy will soon change. This is apparently a misunderstanding. Our spiritual civilization does not contradict the policy of implementing reform and opening to the outside world. They promote each other. The resolution points out: Our policy of launching all-round reform and opening to the outside world have infused our socialist cause with great vitality and have significantly promoted the development of spiritual civilization.

The resolution also points out: As a basic, unalterable state policy, opening to the outside world applies to our efforts to develop spiritual civilization, as well as to our work for the development of material civilization. This is to say, not only can the policy of implementing reform and opening to the outside world promote the development of spiritual civilization, such development can also promote the policy of making reform and opening the country to the outside world. At the same time, we must also point out: Our reform and open-door policy are being carried out under the guidance of the four cardinal principles. They are the perfection of the socialist system. The view that believes that reform and opening to the outside world will lead to capitalism is mistaken. Any attempt to negate the socialist system or advocate the capitalist system will also fail.

Third, the resolution keeps national construction in the forefront of our thoughts. In the past, due to the influence of "left" ideology, class struggle was magnified to the extreme in the ideological sphere for a long time. "Destruction" and mass criticism took the lead, and our comrades were hurt and unity disrupted. It damaged the building of both material and spiritual civilization. The resolution has drawn a lesson from this historical period and clearly put forward an important guiding principle, that is that we should always keep national construction in the forefront of our thoughts. We should do everything possible to unite the people and bring their socialist enthusiasm and initiative into play, to meet their cultural and intellectual needs, to raise their ideological and ethical standards, and to develop education, science, and culture. In short, we should do everything possible to facilitate the growth of the productive forces.

In the section on mobilizing and uniting the people of all China's nationalities through a common ideal, the resolution has given full expression to the spirit of unity and construction. The common ideal put forward by the resolution has embodied the interests and wishes of all workers, peasants, intellectuals, and other laboring people and patriots, and it is a powerful spiritual weapon to insure political, moral, and spiritual unity of all people and to overcome all kinds of difficulties. The resolution has pointed out that in order to realize this ideal, we must cherish those ideas and attitudes that promote modernization, national regeneration, and the reunification of the motherland; enhance the unity of our various nationalities; foster social progress and the people's well-being; and help to create a happy life through honest labor. Only thus can we do away with narrow-minded views on the question of uniting with all possible forces to build socialism -- views that for so long have seriously harmed our cause. Then it will be possible for party members and nonparty people, Marxists and non-Marxists, atheists and believers, citizens at home and those living abroad -- in short, for all our working people and patriots -- to rally together and do what they can to make our common ideal a reality.

The above statement has demonstrated boldness of vision and a broad-minded view. It shows that our party has become stronger and more mature. We must be magnanimous and unite all forces which can be united in order to successfully accomplish the great task of building socialist and modernization.

This great unity naturally includes the cooperation and unity between our party and all democratic parties and mass organizations. The CPPCC is a patriotic united front of the Chinese people. It unites all democratic parties, nonparty democratic people, mass organizations, people of minority nationalities, and patriotic people of all circles including compatriots in Taiwan, Hong Kong, and Macao, and Overseas Chinese abroad. It can give full play to its own advantageous position and develop a greater role in the political life of the party and state. It can more extensively unite people of all circles, actively support the building of modernization of the motherland, promote national reunification, and develop intellectual resources through various channels to serve the cause of modernization.

In short, the building of spiritual civilization with unity and construction as the guiding thought has provided a vast arena for the work of the CPPCC. Comrades and friends, you can certainly give full play to your abilities and make greater contribution in this arena.

The resolution has specifically expounded on the question of intensifying education in socialist democracy, legality and discipline, the question of the guiding role of Marxism in building spiritual civilization, and the question of responsibilities of CPC organizations and party members in the building of spiritual civilization. All those have a new significance, and I will not explain further now due to time.

CPPCC RESOLUTION ON SPIRITUAL CIVILIZATION

OW190200 Beijing XINHUA Domestic Service in Chinese 1214 GMT 18 Oct 86

[Text] Beijing, 18 Oct (XINHUA) -- Resolution on Studying and Implementing the Guidelines of the 6th Plenary Session of the 12th CPC Central Committee.

(Adopted by the 13th meeting of the Standing Committee of the 6th CPPCC National Committee on 18 October 1986)

Participants at the 13th meeting of the Standing Committee of the 6th CPPCC National Committee, after hearing a report by Comrade Xi Zhongxun, member of the Political Bureau of the CPC Central Committee, on the guidelines of the 6th Plenary Session of the 12th CPC Central Committee, have earnestly studied and discussed the "Resolution of the CPC Central Committee on the Guiding Principles for Building a Socialist Spiritual Civilization." It is the consensus of the participants in the meeting that the CPC Central Committee's resolution is a programmatic document for intensifying the building of socialist spiritual civilization in China in the new historical period, and that it reflects the common aspiration of the people of all nationalities in the country. The meeting participants fully agree with and support the CPC Central Committee's general plan for socialist modernization and its guiding principles for building a socialist spiritual civilization in China. They hold that in building the socialist spiritual civilization put forth in the CPC Central Committee's resolution, it is necessary to promote socialist modernization, facilitate the comprehensive reform and opening to the outside world, and uphold the four cardinal principles, and that to correctly view the building of spiritual civilization in light of economic construction, comprehensive reform and opening to the outside world, and the four cardinal principles is of great immediate importance and of far-reaching significance in building China into a highly civilized and democratic modern socialist country.

The meeting notes that the CPPCC is the most extensive patriotic united front organization in China, embracing all democratic parties, non-party personages, democratic people, people's organizations, minority nationalities, and patriots from various circles, including compatriots in Taiwan, Hong Kong, Macao and Overseas Chinese. The CPPCC should make ample use of its advantages to play an important role in promoting unity and construction in the course of building spiritual civilization. The meeting calls on CPPCC organizations at all levels to mobilize members and staff workers to diligently study the CPC Central Committee's resolution in light of reality to raise their understanding, unify their thinking, and enhance their confidence in promoting socialist democracy and perfecting the socialist legal system in China and in making pertinent suggestions for the economic and political structural reforms and the building of spiritual civilization, thereby effectively performing their political consultative and democratic supervision functions.

It is necessary to organize and encourage members to take part in cultural and ideological activities in the joint endeavor to raise the ideological and ethical standards and to enrich the scientific and general knowledge of the people of all nationalities in the country. It is also necessary to conduct education, in various forms and through various channels, on socialism and patriotism, as well as on ideals, morality, general knowledge, and discipline, and to firmly criticize and resist decadent feudal and capitalist ideas and activities that are detrimental to reform and to opening to the outside world. CPPCC organizations at various levels should also display the fine tradition of self-education by encouraging members to voluntarily study Marxism for the building of spiritual civilization.

The meeting participants call on CPPCC organizations, at all levels, to closely incorporate the CPC Central Committee's guidelines for building a socialist spiritual civilization into their work and to map out feasible and effective measures to improve the work of the people's political consultative conference and contribute to the modernization of the motherland.

YU QIULI ON SCIENCE, DUAL-PURPOSE PERSONNEL

OW191403 Beijing XINHUA Domestic Service in Chinese 1306 GMT 17 Oct 86

[By RENMIN RIBAO reporter Luo Tongsong and XINHUA reporter Cheng Guang]

[Text] Baoding, 17 Oct (XINHUA) -- Yu Qiuli, member of the CPC Central Committee Political Bureau and director of the PLA General Political Department, stressed: To implement the party Central Committee's resolution on the guiding principles for building a socialist spiritual civilization, the Army should make marked achievements in studying science and culture and in training dual-purpose personnel.

Yu Qiuli made these remarks today at the Beijing Military Region's on-the-spot experience exchange meeting on training personnel for dual purposes. He said: The Army faces the new problem of how to strengthen army building in peace time. We have to do a great deal of work in this respect. For instance, we have to strengthen ideological and political work, education in war preparedness and military training, and management of army units, and to enforce strict discipline and various rules and regulations. However, there is no substitute for studying science and culture and training dual-purpose personnel. This is a strategic measure to strengthen army building under the new historical conditions.

Yu Qiuli highly praised a certain division stationed in Baoding for its exploratory yet successful efforts to arouse the enthusiasm of the Army units, the prefectures and counties where these units are stationed, and the fighters' native counties to train useful personnel. He said: fighters' native counties provided information on needed qualified personnel and were responsible for using the personnel trained for the dual purposes. The prefectures and counties where army units were stationed provided some teachers and space for practice, and the army units were responsible for teaching and management. The three sides coordinated with and encouraged each other and, as a result, the quality of training was ensured and the number of people thus trained adequate. This was a new experience. This method not only aroused enthusiasm of localities, the fighters, and fighters' parents, but enabled the trained personnel to meet the needs of localities and play a role in the four-modernizations drive.

Yu Qiuli also stressed: Army units should continue to build socialist spiritual civilization together with the people. He said: The party Central Committee's resolution on guiding principles for building spiritual civilization requires the Army to build spiritual civilization of itself and take an active part in the national drive to build spiritual civilization. This is a major task with which the party Central Committee has entrusted us. Undertaking joint Army-people projects to build spiritual civilization is the main form of the Army's part in the nationwide drive to build spiritual civilization for itself. It is imperative to take the resolution of the Sixth Plenary Session as the guide for launching intensive joint Army-people activities to build spiritual civilization. At present, concentrated efforts must be made to publicize the party Central Committee's resolution and promote the simultaneous building of material and spiritual civilization.

The Beijing Military Region's on-the-spot experience exchange meeting on training personnel for both military and local use was convened in Baoding City, Hebei Province, on 12 October. During the meeting, Yu Qiuli, He Qizong, and Xing Chongzhi heard briefings by the personnel of a certain division stationed there trained for dual purposes and viewed its on-the-spot demonstration. Qin Jiwei, commander, and Yang Baibing, political commissar of the Beijing Military Region, spoke at the meeting.

Inspects Hebei Villages

OW192356 Beijing Domestic Service in Mandarin 2230 GMT 18 Oct 86

[Text] On the afternoon of 18 October, Yu Qiuli, member of the Political Bureau of the CPC Central Committee and director of the PLA General Political Department, inspected with great interest (Zhangwang) Village in Mancheng County and (Tengjia) Alley in Baoding City -- two units in Baoding Prefecture, Hebei, that have distinguished themselves in building spiritual civilization through joint Army-civilian efforts.

Baoding was one of the first places to begin development of building spiritual civilization through joint Army-civilian efforts. From the end of 1981 to present, the number of Army-civilian joint construction points has almost reached 600. Of that number, more than 450 have been named civilized villages and units by leading organs at and above the county level.

During the inspection, Yu Qiuli said: In deepening the activities of building spiritual civilization through joint Army-civilian efforts, we must take the resolution adopted at the 6th Plenary Session of the 12th CPC Central Committee as guidance, combine the building of spiritual with that of material spiritual civilization, and carry out the work well and in a down-to-earth manner.

He said: To implement these activities well, the most important thing is that the military itself must develop a good spiritual civilization so that it can play an exemplary role no matter where it is stationed, spread spiritual civilization everywhere it travels, and truly become a pacesetter in building spiritual civilization.

Qin Jiwei, commander of the Beijing Military Region; Political Commissar Yang Baibing; and Xing Chongzhi, secretary of the Hebei Provincial CPC Committee, accompanied Yu Qiuli during the inspection.

GUIDING IDEOLOGY SHIFT PROMOTES ARMY BUILDING

OW200103 Beijing XINHUA Domestic Service in Chinese 0305 GMT 19 Oct 86

[By reporter Chen Xiang'an]

[Text] Beijing, 19 Oct (XINHUA) -- This reporter has learned from a leading PLA organ that China has achieved breakthroughs in the overall task of building a modern and regular army since it changed its strategy in the guiding ideology for army building.

The Central Military Commission convened an enlarged meeting in June last year to decide on a strategy shift in the guiding ideology for army building in order to accommodate the needs of the new situation. In the past year, the PLA has undergone historically unprecedented great changes, such as troop reduction, reform, readjustment, ideological changes, reorganization, and changes in work methods and styles. It has entered a new period of development and manifested five new major trends:

1. After undergoing structural reform and troop reduction reorganization, the PLA has developed rapidly into crack troops, combined arms units, and highly efficient forces. The work of reducing the troops by one million is nearing the end. The establishment and organization of the whole army has developed from the longstanding basically-unified pattern into a variety of patterns set up in accordance with different tasks, localities, and whether conditions. New arms units and the Army's air units are being formed. With the troops being continually outfitted with attack helicopter gunships, the traditional operational tactics of the infantry will change. The proportions of the various arms units in the newly-formed group army of the Ground Force are more scientific in that the levels of command have decreased and the units have become increasingly integrated. The Navy and the Air force have become more efficient. The composition of the military has, for the first time, changed from the two traditional types of commanders and fighters to the three types of compulsory servicemen, volunteers, and officers, resulting in qualitative improvements.

2. Military training has become more scientific, modern, and varied. A new training system has been formed. The low-level repeated training of rank-and-file soldiers that has been practiced from many years has been eliminated, and multi-layer training by stages from low to high levels has begun. Special training according to aptitude, and vocational training have increased. There are over 1,200 kinds of technologies that must be mastered within a group army. With the adoption of laser and electronic simulated training equipment and automatic command systems and the establishment of the new training center of assigned operational tactics of the whole Army, the contents of campaign drills have moved to a higher plane, and there have been constant improvements in the capabilities of the troops to react swiftly, wage battles in coordination, engage in confrontations involving the use of electronic weapons, survive in field operations, and safeguard the logistics work.

3. Training of military personnel is more complete in terms of category and more rational in terms of level. The whole Army has initially formed an educational system with a sound foundation, a proper scale, and a fairly complete management system. Through readjustment and reform, the equipment of military academies is better suited to the needs of modernization and dealing with future wars. At present, military academies in the whole Army are divided into the two categories of command institutes and special technical schools. Composed of primary, secondary, and senior levels, these command institutes train officers at and above the levels of platoon and company, battalion and regiment, and division, respectively, while the special technical schools offer courses of special secondary schools, special high schools, undergraduate schools, graduate schools for candidates of master's degrees, and graduate schools for candidates of doctoral degrees.

A cooperative network has been formed among these institutes and schools, the PLA units, and the science research units. The contents and methods of instruction and the modes of management have entered a new phase.

4. Military science research has moved from a closed type to an open type. In order to meet the needs of modern warfare, the integration of the Navy and the Air Force, the study of space technology, and the research into local warfare have become the key tasks in today's research on military strategies. The scope of such research has become increasingly wider and the branches of such research have become more and more elaborate. Research is geared to modernization and the need of the world and the future. Over 70 branches of frontier science, such as military system research, military operational research, and economics in national defense have been assimilated and incorporated into the fields of military science research. Achievements in military science research are being used by leading military organs in making scientific policies. These achievements have found application in society and attained international standards. The military and the localities have successively formed some interchangeable military strategy research groups. Academic exchanges between the PLA and foreign countries have increased significantly.

5. Participation in the construction of key projects has become a major form of military support for state economic construction. In addition to opening up large numbers of barracks, airports, wharves, railways, and highways for local or joint military and civilian use, the military has converged its diversified energies in supporting local economic construction and helping with the people's work so as to bring out its superior role in actively undertaking and participating in key state or local construction projects and making active contributions to the development of the national economy.

DEMOBILIZED SOLDIERS HELP RURAL DEVELOPMENT

OW171244 Beijing XINHUA in English 0911 GMT 17 Oct 86

[Text] Beijing, October 17 (XINHUA) -- Demobilized soldiers from rural areas tend not to go back to farming when they return to their home towns, officials of the Ministry of Civil Affairs said today.

About 820,000 soldiers were demobilized this year. Of the majority who went home to the countryside, 55 percent have found jobs in township enterprises, local service trades and special firms set up for the demobilized soldiers, the officials said, adding that 20 percent have become local leaders. Only about 25 percent return to farming.

About 40 percent of the former soldiers return to the countryside with vocational training received while in service, one official said. "Some also get training from local authorities before they start work," he said. "All in all, they certainly inject vitality into the country's development."

Throughout the country, civil affairs departments are responsible for helping the demobilized soldiers find work.

Some former soldiers have proven adept at helping floundering enterprises become more efficient. In one county in Hebei Province in central China -- Anlu County -- they have helped improve the management of 89 of the 96 badly run township enterprises, according to the official.

Because agricultural reform since 1979 has linked income to output, farming in general has become more efficient, reducing the number of people needed to till the fields. As a result, local governments have been alerting units of the Chinese People's Liberation Army that their demobilized soldiers should be trained as drivers or as carpenters or in other ways suited to rural development.

WU XIUQUAN, OTHERS ATTEND LONG MARCH EXHIBITION

OW160205 Beijing XINHUA Domestic Service in Chinese 1256 GMT 14 Oct 86

[By reporters Zhang Yanping and Huang Zhimin]

[Text] Beijing, 14 Oct (XINHUA) -- the "Joint Exhibition of Photographic and Art Works On the Long March Routes Today" opened at the museum of the Chinese Revolution this morning. Wu Xiuquan, Cheng Zihua, Zhang Aiping, Yang Chengwu, and other Red Army Long March veterans attended.

Nearly 300 pieces of art are on display. They praise the heroism of the First, Second, and Fourth Front Armies of the Red Army during the Long March and their final victory in joining forces in Huining in October 1936. The art works also show Red Army veterans' arduous struggle in today's four modernizations and how people living along the Long March routes today are following in the Red Army veterans' footsteps and proceeding with another Long March to revitalize China.

After watching the exhibition, Wu Xiuquan, the 78-year-old member of the Standing Committee of the Central Advisory Commission, said emotionally: These exhibits are our precious assets. I hope our younger generation will learn from them that revolutionary victories were not easy to come by. I also hope that the younger leaders working on all fronts will learn from them how to carry forward the fine revolutionary traditions of their predecessors. We are now engaged in building a socialist spiritual civilization, and the exhibition should serve as a good guide for the project.

The exhibition is cosponsored by 13 regions, autonomous prefectures, and municipalities in Jiangxi, Guangdong, Hunan, Guangxi, Guizhou, Yunnan, Sichuan, Gansu, Ningxia, and Shaanxi.

YANG DEZHI ON APPLYING LONG MARCH'S SPIRIT TODAY

OW160811 Beijing XINHUA Domestic Service in Chinese 0723 GMT 15 Oct 86

[Text] Beijing, 15 Oct (XINHUA) -- Yang Dezhi, a Red Army veteran and chief of the PLA General Staff, said today that at this time, when the party Central Committee underscores the need to build a socialist spiritual civilization, marking the 50th anniversary of the Long March and inheriting and carrying forward the revolutionary spirit the Red Army displayed during the Long March of special significance.

Yang Dezhi and some veterans of the Red Army's First, Second, and Fourth Front Armies met today to mark the 50th anniversary of the Long March victory. At the meeting the Red Army veterans recalled the hardship and sacrifices as well as the jubilation of victories, they experienced during the Long March 50 years ago to indicate that the Long March spirit is a precious asset belonging to all party members and soldiers and a tremendous strength that can encourage and inspire the whole nation to work hard to accomplish the party's central tasks.

Speaking at the meeting, Yang Dezhi said: We are now on a new Long March to modernize the country, and we must draw courage, strength, and wisdom from the Red Army's Long March. He stressed: We must inherit and carry forward the revolutionary spirit the Red Army displayed during the Long March in four respects: First, we must display the spirit of fighting unity through which the Red Army's officers and men manifested their ideals and convictions. What did we rely on to surmount difficulties and defeat the enemy during the Long March, when we faced so many hardships and our weaponry and material conditions were so poor? We relied upon the Red Army's close-knit unity, which was based on the soldiers' lofty ideals and firm convictions. Second, we must display the spirit shown by the party Central Committee, Chairman Mao, and the vast number of Red Army officers and men during the Long March, namely the spirit of bringing forth new ideas based on the actual situation and seeking truth from facts. This is the basic experience we have gained from the lessons we paid for in blood. Third, we must display the same spirit of defying hardship and heroically and strenuously struggling that the Red Army's officers and men displayed during the Long March. Today's new Long March will not be smooth. This requires us to display the same strong will and work with the same perseverance as did the Red Army during the Long March. Fourth, we must display the same spirit as that of the Red Army, disregarding personal fame and benefit and continuing to be dedicated to arduous struggle.

The meeting took place at the PLA General Staff Headquarters.

YANG DEZHI, OTHERS ATTEND LONG MARCH MEETING

OW171031 Beijing XINHUA Domestic Service in Chinese 0719 GMT 16 Oct 86

[By reporters Xiong Zhengyan and Xu Jingyao]

[Text] Beijing, 16 Oct (XINHUA) -- The Academic discussion meeting to mark the 50th anniversary of the victory of the Red Army's Long March was held in Beijing today. More than 140 veteran Red Army Fighters who endured this great march half a century ago met with over 100 researchers of Long March history today at the PLA Academy of Military Sciences to talk about the significant meaning of the Red Army's Long March and exchange experiences in conducting academic research in this connection.

Attending the opening ceremony of the academic discussion meeting today here were Yang Dezhi, Chan Pixian, Wang Ping, Wu Xiuquan, Li Desheng, Xiao Ke, Song Shilun, Chen Xilian, Ye Fei, Zhang Aiping, Yang Chengwu, and Chen Zaidao.

On behalf of the Central Military Commission, Zhang Aiping delivered a speech. He said: The victory of the Red Army's Long March shows many new strategic and tactical developments. It is of great academic significance to military science. In studying the Long March today, we must link these good experiences with Army building at present and with future modern warfare. That means we must study how to make use of our military experience in the Long March to strengthen our national defense and safeguard the motherland.

This academic discussion meeting was jointly sponsored by the PLA Academy of Military Sciences and the University for National Defense. This meeting is an unprecedentedly large-scale meeting in the study of the Long March. The more than 100 deputies attending this meeting will read over 80 papers there.

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Many of the papers are of high academic value. They will involve various aspects of the Red Army's Long March.

Wang Chenghan, political commissar of the Academy of Military Sciences, addressed the opening ceremony of the discussion meeting.

CHINA DAILY REPORTS CONTINUATION OF FECS

HK180535 Beijing CHINA DAILY in English 18 Oct 86 p 1

[By staff reporter Sun Youngeng]

[Text] China recently decided to continue to print and circulate foreign exchange certificates (FECs), the convertible version of the nation's official currency, renminbi.

Speaking to reporters at the grand opening of the Stock Exchange of Hong Kong last week, Wang Deyan, president and chairman of the board of directors of the Bank of China, said he believes it is not possible for China to abandon the convertible currency immediately.

New and better measures have to be worked out to replace the certificates, he said.

The decision is viewed as helpful to continued implementation of the country's economic development plan and to reform of the financial system.

Changes should not be implemented, Wang said, until every sector of the society is well prepared. Since businesses and people in China are accustomed to the foreign exchange certificates, which have been in use for a long time, the government, he said, wants to maintain this convenience for businesses that invest in China and remit foreign exchanges out of the country.

Wang said China has already formulated one plan to phase out the convertible currency, but it is abandoned after what he called "imperfections" are found.

The bank president stressed that the present dual currency system will not be abolished until a perfect replacement system is drafted. He said the new system is still under study. The system was launched in April 1980.

CHINESE PEASANTS HIT BY SEVERE DROUGHT

BK181352 Hong Kong AFP in English 1345 GMT 18 Oct 86

[Text] Beijing Oct 18 (AFP) -- Several million Chinese peasants are having great trouble getting enough food because of a severe drought across 17 of the country's province and autonomous regions, the Ministry of Civil Affairs said Saturday.

"Nobody is dying of hunger" although the rural population had to rely on state assistance for food supplies, the head of the ministry's Relief Office, Yao Shadyu, told AGENCE FRANCE-PRESSE.

The areas most affected by the drought were three provinces around Beijing and to the south of the capital -- Hebei, Shanxi, and Shandong -- where the situation was even more serious than the severe drought of 1981, Mr Yao said.

He stressed, however, that the overall situation was not as serious as five years ago./

Mr Yao added that no figures were available concerning number of people affected by the drought which began this summer, the effects of which could be felt until next year's harvest.

Five million tonnes of cereal were currently needed and relief supplies were already on the way, he was quoted earlier as saying in the English-language CHINA DAILY's Saturday edition.

Because of the drought, only half the planned target for winter wheat seeking had been reached in three provinces and Henan Province, it said.

Droughts are an endemic problem in certain areas of China and assumed catastrophic proportions between 1980 and 1982.

Several million people suffered from serious undernourishment in Hebei Province in 1981, according to the United Nations Disaster Relief Office.

The prolonged dry spell led China to accept international aid for the first time since 1949, amounting to several million dollars [currency not specified] from some twenty countries and eight international organizations.

The state budget allocation for relief funds has already been exceeded by more than 40 percent this year with a total of 1.22 billion yuan (329 million dollars) directed to those afflicted by natural disasters, mostly droughts and floods, CHINA DAILY quoted Mr Yao as saying.

A further 230 million yuan (62 million dollars) would be allocated to help drought-hit areas by the end of the year, he told the newspaper.

It added that floods were another major cause of natural disasters and had swept northeastern China as well as Guangdong, Guangxi and Yunnan Provinces in the far south of the country.

Cereal production is expected to reach 386.5 million tons this year, up from 379 million last year, but below the record 407 million tons produced in 1984, according to the Chinese National Statistics Office.

Mr Yao said that China would rely first on its own resources to help combat the effects of the drought, "but, of course, all international aid would be welcome."

The official said the drought had not this year led to the mass exodus of peasants to the cities seen in 1981, because state assistance had been allocated for several years to those regions unable to support themselves.

OFFICIAL NOTES STEADY INDUSTRIAL OUTPUT GROWTH

OW181224 Beijing XINHUA in English 0944 GMT 18 Oct 86

[Text] Beijing, October 18 (XINHUA) -- In the first nine months of 1986, China's industrial output value saw a 6.4 percent increase over the corresponding period of 1985.

The output value of light industry rose by 6.6 percent, and that of heavy industry 6.2 percent.

At a press conference here today, Zhang Zhongji, spokesman for the State Statistics Bureau, announced, "From January to September industrial output amounted to 652.1 billion yuan (176.2 billion U.S. dollars), 72.7 percent of the planned total for this year."

"China's industry has marched forward quarter by quarter. In comparison with the corresponding period of 1985, it rose by 4.4 percent in the first quarter, 5.3 percent in the second and 9 percent in the third," he added.

Thirty-five major projects have become operational during the period, according to Zhang, which include first-stage construction of the Baoshan Iron and Steel Complex in Shanghai, second-stage construction of the Jinshan Petrochemical works in Shanghai, the Jianbi Power Plant in Jiangsu Province and two power generating units at the Gezhouba Hydroelectric Power Station in Hubei Province.

During the same period, China added electricity generating capacity of 902,000 kw, coal mining capacity of 5.31 million tons and oil mining capacity of 9.618 million tons. It also raised steelmaking capacity by 3.18 million tons and iron-smelting capacity by 3 million tons. The country also electrified 128.9 kilometers of railway.

Zhang told reporters, "total investment in fixed assets during the past three quarters this year rose by 18.7 percent over the same period of last year, a rate slower than the 33.7 percent registered in the first three quarters of last year."

Total investment in capital construction came to 61.8 billion yuan (16.7 billion U.S. dollars), a 9.5 percent increase over the corresponding period in 1985 when the growth rate was 38.6 percent.

By cooling down excessive spending in these two areas the country can put more money into technical transformation and renovation, investing 28.6 billion yuan (7.73 billion U.S. dollars), an increase of 45 percent over the same period last year which saw only a 29.6 percent rise.

"More than 20 inter-regional economic groups of various forms have been set up, breaking up the old economic formula", Zhang said.

He added, "total industrial output value this year can be expected to hit the target of guaranteeing a 7 percent growth and striving for 8 percent as designated in the Seventh Five-Year Plan period (1986-1990)." The growth rate will exceed 8 percent if the output value of the rural and individual industries is included, he said.

He also pointed out that the rising price of raw materials, wage hikes, increased tax rates and depreciation by the state have cost enterprises more and led to less profits and more deficits.

"Product quality is still substandard and varieties fail to meet demand," he stressed.

"The market is having more influence on production," Zhang said, adding that production of saleable goods increased and that of unsaleable products went down.

ZHAO ZIYANG GREETES GUANGZHOU FAIR ANNIVERSARY

OW130841 Beijing XINHUA in English 0651 GMT 13 Oct 86

[Text] Beijing, October 13 (XINHUA) -- The China Export Commodities Fair in Guangzhou will open with gala celebrations on October 15, according to a dispatch arriving here today.

The 60th session of the fair, with a 30-year history since its opening in 1957, will be held in Guangzhou, capital of south China's Guangdong Province.

In a letter marking the anniversary, Chinese Premier Zhao Ziyang said, "the fair has done a good job in developing trade relations and economic and technological exchanges between China and other countries in the past three decades."

Wang Pingqiang, vice-premier of foreign economic relations and trade, and vice-chairman of the coming session, urged all workers attending the fair to do more business, a substantial way to celebrate the anniversary, and to give a warm-hearted reception to businessmen from other countries and regions.

An editorial in today's INTERNATIONAL BUSINESS said, "the fair is China's biggest comprehensive show window of export commodities."

"The fair's total annual export business volume accounts for one-fourth of the country's total, and it has also increased imports," the paper said.

In the past several years, the fair has provided an opportunity for Sino-foreign cooperative projects, Sino-foreign joint ventures, international trust and investment companies, and transport, financial and insurance businesses serving imports and exports to conduct business with overseas counterparts.

Its first session three decades ago was attended by 1,200 businessmen from 19 countries and regions. But the last several sessions each hosted 25,000 from 100 countries and regions.

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CHINA
PRC NATIONAL AFFAIRS

To celebrate the fair's 30th anniversary, its buildings have been cleaned and decorated. A new six-storey building is also ready for use.

An official of the Ministry of Foreign Economic Relations and Trade said that 25 percent of the display products will be new just for the fair, which will end November 5.

"Overseas buyers will see a wider selection than ever before in the fair's 30-year history," he said.

For some industries, including machinery and textile production, and metal and mineral processing, new products will make up 80 percent of their displays.

FANG YI OPENS HEBEI SCIENCE, TECHNOLOGY BUILDING

OW161101 Beijing XINHUA Domestic Service in Chinese 1612 GMT 14 Oct 86

[By reporters Gou Jie and Yue Yongjin]

[Text] Shijiazhuang, 14 Oct (XINHUA) -- The Hebei Science and Technology Building in Shijiazhuang, which is dedicated to scientific and technological interchange and training, is officially completed. This morning Fang Yi, member of the CPC Central Committee Political Bureau and state councillor; Xing Chongzhi, secretary of the Hebei Provincial CPC Committee; and Xie Feng, Hebei governor, cut the ribbon to inaugurate the building and open the conference on the exchange of technical achievements in north China, which will be held in the building.

The Hebei Science and Technology Building is the largest science and technology exchange, trading, and training center in China. Comrade Hu Yaobang inscribed "Science and Technology Building" for the building and Comrade Fang Yi inscribed "Use Science and Technology To Promote Economic Takeoff."

The Hebei Science and Technology Building was built with funds raised from various sources. It has a total area of 26,500 square meters. The 13-story main building has exhibition, stage, conference, and training halls equipped with advanced facilities capable of hosting international and domestic science and technology fairs and exhibitions and information exchange activities.

Visits Art Exhibition

OW131415 Beijing XINHUA Domestic Service in Chinese 0810 GMT 11 Oct 86

[Excerpts] Beijing, 1 Oct (XINHUA) -- Visiting an exhibition of artistic, calligraphic, and photographic works done by workers and staff members of the China Nonferrous Metals Industry Corporation, Fang Yi, member of the Political Bureau of the CPC Central Committee, said yesterday that party organizations and leading cadres at all levels must pay attention to workers' sparetime cultural life and organize them to engage in healthy cultural activities. He said that the masses' cultural life is also a part of spiritual construction.

On display in the exhibition were some 250 works by the workers and staff members of the nonferrous metal industry. [passage omitted]

Fang Yi added that the exhibition showed that there are many talented people among the workers and leading authorities at all levels should give full scope to their specialities.

It is reported that there are 1.2 million workers and staff members in nearly 900 enterprises and institutions under the China Nonferrous Metal Industry Corporation. [passage omitted]

Attends Cartography Meeting

OW141022 Beijing XINHUA Domestic Service in Chinese 0832 GMT 11 Oct 86

[By reporter Zhang Jimin]

[Excerpts] Beijing, 11 Oct (XINHUA) -- The State Bureau of Survey and Cartography, which has achieved successes in surveying the sky and Earth, today called a national meeting of representatives of advanced collectives and individuals from survey and cartography departments, on the occasion of its 30th founding anniversary, to commend the advanced, and, at the same time, to discuss the important matter of reform in survey and cartographic work.

Fang Yi, member of the CPC Central Committee Political Bureau and State Councilor, attended the meeting and delivered a speech praising survey and cartographic work, hailing it as an arduous, glorious, and grand undertaking. He said: In the past 30 years, the State bureau of Survey and Cartography has formed a fairly strong survey and cartographic contingent; established a rather complete system; deployed hundreds of thousands of survey control units; completed medium and small-scale topographic maps covering the entire land of China; provided large quantities of aerial topographic maps for urban construction, survey of agricultural resources, and other projects; and made great contributions to the national economy and defense. These achievements were made by tens of thousands of surveyors and cartographers who worked very hard for a long time. Their hardworking and struggling spirit should be understood by the people and respected by society. [passage omitted]

Li Xiannian, Wan Li, Bo Yibo, Hang Guang, Xu Deheng, and Gu Mu each wrote words of appreciation to greet the 30th founding anniversary of the State Bureau of Survey and Cartography.

ANHUI RIBAO VIEWS BUILDING SPIRITUAL CIVILIZATION

OW190034 Hefei ANHUI RIBAO in Chinese 29 Sep 86 p 2

[ANHUI RIBAO editorial: "Firmly Strengthen the Building of Spiritual Civilization"]

[Excerpts] The Resolution of the Central Committee of the Communist Party of China on the Guiding Principles for Building a Socialist Spiritual Civilization has been published. Based on the principle of integrating basic principles of Marxism with the actual situation in China, the resolution penetratingly explains the strategic position, fundamental tasks, and other principled matters of building spiritual civilization. The resolution has given us direction and shown us fundamental methods for strengthening the building of spiritual civilization in the new period and is a programme of action for mobilizing and organizing people of the whole country to build a high level of socialist spiritual civilization. It is a crystallization of the collective wisdom of the party, which will certainly have a profound influence on the building of spiritual civilization in our country. At the same time, it has an important bearing on ensuring the progress of the reform of our economic and political structures, the successful implementation of the "Seventh 5-Year Plan" and the healthy development of socialist modernization.

The resolution points out that the overall scheme of China's socialist modernization is as follows: Taking economic development as the key link, we are to continue to reform our economic and political structures and at the same time speed up the country's cultural and ideological progress, making sure that these aspects of our work are coordinated with and promote each other. From this perspective, all our party members should understand the strategic importance of promoting spiritual civilization. [passage omitted]

To fulfill the general tasks and goals of our party in the new period, we must ensure that our work in promoting spiritual civilization is capable of pushing forward China's socialist modernization, or promoting the all-round reform and the opening to the outside world, and of embodying the four cardinal principles. [passage omitted]

In this province, we have made some progress in building spiritual civilization. However, there are also many problems which are incompatible with the building of socialist modernization. The people's mental outlook and their concepts should be guided toward the positive side, socialist morality and style should be further improved, and democracy and the legal system should be further perfected. In particular, education, science, and culture in this province are still quite backward. We must not overlook all these things. [passage omitted]

At present we face the heavy task of building spiritual civilization. We must effectively implement the work of building spiritual civilization step by step, in accordance with the guiding principles of and strategic arrangements made by the party Central Committee. Party organizations at various levels and party members in particular have a great responsibility to promote spiritual civilization. We must conscientiously study and properly implement the resolution, create an advanced image for the masses with our own exemplary deeds, publicize civilized new customs, and lead the masses in the struggle for the realization of our common ideals and goals. As long as party organizations at various levels and the 1.8 million party members in this province give full play to their role as the core in leading the masses, it is certain we can greatly develop the building of spiritual civilization in this province.

FUJIAN SUFFERING WORST DROUGHT SINCE 1939

OW191530 Beijing XINHUA in English 1508 GMT 19 Oct 86

[Text] Fuzhou, October 19 (XINHUA) -- China's coastal Fujian Province is suffering the biggest drought since 1939.

For about two months, there has been no rain in most parts of the province. Many reservoirs have dried up, causing a shortage of drinking water in many places.

Water in the reservoirs near Xiamen has decreased by one third.

Nearly half of the farmland in Xiamen's suburbs is affected by the drought.

At present there is no sign of relief, according to the local Meteorological Bureau.

The local government has been rushing pumps, diesel oil and chemical fertilizers to the stricken areas to fight the drought.

Meteorological officials predict that the severe drought may be followed by a big flood next year.

AUDITING ADMINISTRATION ISSUES NOTICE ON FUJIAN FRAUD

OW200143 Beijing XINHUA Domestic Service in Chinese 0922 GMT 18 Oct 86

[By reporter Wang Yingchun]

[Text] Beijing, 18 Oct (XINHUA) -- The Longyan Prefectural Finance Bureau in Fujian Province seriously violated financial and economic discipline by illegally retaining financial revenues and falsifying expenses totalling 19.65 million yuan in 1985. In this connection, the State Auditing Administration recently issued a notice to all localities.

According to investigations by auditing departments, the Longyang Prefecture Finance Bureau fabricated a total of 18.39 million yuan of expenses, constituting 40 percent of the prefecture's 1985 total financial expenditures, and misused them for other purposes. Worst of all, with approval from leaders of the prefectural administrative office, the prefectural Finance Bureau loaned the 10 million yuan in special funds, designated by the provincial government for assisting construction in old revolutionary bases in western Fujian, to the Longyang Investment Corporation for purchasing foreign exchange to import goods between May and August last year. The aforesaid loan was listed in the Finance Bureau's final accounts as funds for assisting technical transformation of enterprises and construction of underdeveloped areas. Moreover, the Finance Bureau fabricated a 2 million yuan expenditure for supporting underdeveloped areas' construction.

Among the falsified expenses were also 1.4 million yuan in subsidies for technical transformation of five small industries, and funds for their scientific research which were transferred to the account of the Enterprise Finance Section under the prefectural Finance Bureau.

The 2.82 million yuan capital construction funds for 1986 were listed under the expenditure of the 1985 final accounts. Additionally, in order to increase the base of financial expenditures and reduce the financial surplus of 1985, the Finance Bureau also appropriated 1.76 million yuan in extrabudgetary funds for capital construction.

In addition to falsifying expenditures, the prefectural Finance Bureau also illegally retained or withheld a total of 1.26 million yuan in financial revenue, equivalent to 9 percent of the prefecture's total revenues in 1985. Of this amount, 150,000 yuan were illegally retained by the Finance Bureau on two occasions last December in the name of subsidizing deficit-ridden grain enterprises, but were later refunded to the bureau itself as its temporary savings. The 110,000 yuan retained from the income tax paid by the Jitou Hydroelectric Power Station were transferred to extrabudgetary revenues. Also, the prefectural Finance Bureau did not take any financial action to handle the 2.28 million yuan in revenues delivered by enterprises, and permanently retained the funds on its account.

The Fujian provincial people's government has paid keen attention to the above-mentioned problems. The provincial Auditing Bureau has been investigating the problems along with pertinent departments.

FUJIAN GOVERNOR ON OVERSEAS CHINESE INVESTMENT

OW192314 Beijing in Mandarin to Taiwan 1500 GMT 18 Oct 86

[Text] In conversation with reporters recently, Fujian Governor Hu Ping said: Fujian's dominant role in using foreign funds relies on the millions of Overseas Chinese who serve as bridges in Fujian's efforts to open to the outside world and as a prime force in invigorating Fujian. To encourage Overseas Chinese investment, those enterprises with Overseas Chinese investments whose goods meet export conditions and technologically-advanced enterprises will enjoy benefits such as tax reduction or extension of the tax reduction period in addition to the original 20 percent income tax discount. Overseas Chinese who reinvest their profits in domestic productive ventures or who invest in building public facilities for cultural, educational, and sanitation use will enjoy more preferential treatment on their business income tax than will those who invest in export or technologically-advanced enterprises. In the meantime, the Fujian Overseas Chinese Investment Corporation will be restored and its scope of business will be expanded.

Hu Ping welcomed Taiwan compatriots to invest in Fujian's enterprises. He outlined the following preferential policies to be shown the Taiwan compatriots who invest in Fujian's enterprises:

1. All advanced technologies and equipment of the 1980's and fine product varieties imported from Taiwan will be exempt from tariffs and regulatory taxes.
2. All advanced technologies and equipment promoted by Taiwan compatriots will be subject to examination and approval by prefectural and city governments, provided they fall under the monetary amounts specified, and will also be exempt from tariffs and regulatory taxes.

JILIN SECRETARY ON ARMY-CIVILIAN CIVILIZATION

SK180305 Changchun Jilin Provincial Service in Mandarin 1030 GMT 17 Oct 86

[Text] After 2 days in session, the provincial meeting to exchange experiences in army-civilian joint activities of building spiritual civilization concluded in Changchun on the afternoon of 17 October. Gu Changchun, acting director of the provincial Propaganda Department, presided over the meeting. Wang Jinshan, vice governor of the province, read the decision of the provincial party committee and the provincial government on commending 241 advanced units emerging from the activities of soldiers and civilians jointly building spiritual civilization. Amid warm applause, leading comrades of the provincial party committee and the provincial government awarded silk banners and certificates of merit to representatives of the advanced units. Gao Di, secretary of the provincial party committee, made a summing-up speech at the meeting. He said that this meeting was one to sum up and exchange experiences as well as a grand gathering of army-government and army-civilian unity. He highly praised the vast number of commanders and fighters of PLA units stationed in our province for their outstanding contributions to the activities of jointly building spiritual civilization. On behalf of the provincial party committee and the provincial government, he extended cordial regards and heartfelt thanks to all of the commanders and fighters of the PLA units stationed in our province.

Comrade Gao Di pointed out: From now on, the province's activities of soldiers and civilians jointly building spiritual civilization should be carried out in line with the guidelines of the 6th Plenary Session of the 12th CPC Central Committee. We should play an exemplary role in carrying out the activities in an effort to raise the work of building civilized units to a higher level. A civilized township can emerge through jointly building a civilized village; a civilized neighborhood committee; and a civilized trade can emerge through jointly building a civilized unit. From now to the end of next year, all localities and all trades should build further groups of civilized units through activities. The areas where no army units are stationed should study the experiences in army-civilian joint activities gained by other localities to launch various forms of joint activities of building spiritual civilization, including cooperation between neighborhood committees and enterprises, between plants and schools, and between workers and peasants. In launching joint activities, we should stress real results and avoid formalism.

Comrade Gao Di called on local party committees and governments to show concern, care, and support for PLA units in launching joint activities; to initiatively offer conveniences to the work of training talented persons for army and civilian use; to make proper arrangements for cadres transferred from army units and for retired cadres; to strive to achieve the work of giving special care to disabled servicemen and family members of revolutionary martyrs and servicemen; and to make greater contributions to creating a new situation in the province's army-civilian joint activities and to rejuvenating Jilin.

LIAONING'S QUAN SHUREN ATTENDS CPPCC MEETING

SK170210 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 16 Oct 86

[Text] Quan Shuren, secretary of the provincial party committee, joined the discussions of the 19th Standing Committee meeting of the 5th provincial CPPCC Committee. The meeting was held this morning. At the meeting, Quan Shuren heard speeches by some responsible comrades of the democratic parties and noted nonparty figures on their understanding after studying the CPC Central Committee's resolution on the guiding principles for building the socialist spiritual civilization, and on their opinions and suggestions for our province's building a spiritual civilization.

NINGXIA SECRETARY DISCUSSES DEVELOPING RURAL WORK

HK130312 Yinchuan NINGXIA RIBAO in Chinese 30 Sep 86 p 1

[Report by Wang Yaocan (3769 1031 3503): "Li Xuezhi Urges Various Localities To Tap Potentialities and Develop the Favorable Situation in Rural Areas"]

[Text] At a recent meeting of Ningxia's rural economic leading groups, Comrade Li Xuezhi called on various localities to tap potentialities, enhance staying power, and further develop the favorable rural situation.

With the all-round development of agriculture, forestry, animal husbandry, sideline occupations, and township enterprises, Comrade Li Xuezhi said, Ningxia's agricultural situation is excellent this year. Tremendous changes have taken place in the mountain areas. The staff members of state farms and the peasants are in full spirit. The attainment of the favorable situation is due to the following: First, we have deepened our ideological understanding of taking agriculture as the foundation; second, we have adopted effective measures, increased investment, and developed farmland capital construction in light of the actual circumstances; third, we have paid more attention to circulation which promoted production; fourth, we have taken effective measures against frequent natural disasters and have increased the output of grain; and fifth, we have accelerated construction of the irrigated areas.

Under the favorable situation, Comrade Li Xuezhi pointed out, we should also be aware of the existing and newly emerging problems. We should tap potentialities, enhance staying power, and develop the favorable rural situation. There are latent potentials that can be tapped in the old irrigated areas, Li continued, and the area of improved varieties of maize and interplanting should be further expanded. The new irrigated areas should tap potentialities, try by every means to exploit farmland, and bring about better results as quickly as possible. The initiative of the peasants should be aroused. So long as the pastoral areas and barren hills are contracted to the peasants, they will make strenuous efforts to increase their income.

Comrades Cai Zhuli and Ma Yingliang delivered speeches on rural work in the next stage. They said that the focus of Ningxia's rural work in the next stage is to pay attention to four things in production and to take note of three problems in policies. The four things in production include digging trenches deep, turning up the soil by tractor, applying fertilizer in autumn, and leveling the land. The three problems concerning implementation of the policies include: First, the practice of indiscriminately occupying farmland should be curbed; second, the reckless exaction of charges should be checked; and third, the practice of extravagant spending should be corrected in connection with party rectification.

FOREIGN MINISTER NOTES STAND ON COMMUNIST CONTACTS

OW160601 Taipei CNA in English 0317 GMT 16 Oct 86

[Text] Taipei, Oct. 15 (CNA) -- Foreign Minister Chu Fu-sung reiterated Wednesday the government's stance that under no circumstances will people of the Republic of China [ROC] participate in any international conference or activity held in Mainland China. Neither will any personnel from communist nations be allowed to enter the ROC for participation in international activities, Chu added. People here, however, are not forbidden from activities held in any country or place other than Mainland China, the minister said, if they are invited by international organizations.

Chu made the remarks while reporting the nation's foreign policy at a meeting summoned by the Policy Coordination Committee of the ruling Kuomintang [KMT] and attended by KMT members in the Legislative Yuan's Committee on Foreign Affairs. The meeting was presided over by Shen Chang-huan, member of the ruling party's Central Standing Committee.

He said the nation has encountered great difficulty in foreign relations due to the free world's failure to see through the vicious nature of communism and Communist China's surging united front offensive in international community under the disguise of peaceful gestures since it got U.S. recognition in 1979. The Communist Chinese have spared no efforts in their plot to isolate the ROC, Chu said, adding that they have tried to attain their aim by challenging the ROC's membership in international bodies, driving a wedge between the ROC and nations that maintain diplomatic ties with the ROC, most of them in Latin America, and trying every possible way to spoil the ROC's substantive relations with other nations. To fight against Communist Chinese challenges, Chu said, the Republic of China will step up its economic and technical cooperation relations with friendly nations, vigorously participate in international activities and seek to establish diplomatic ties with newly-emerging nations. Though faced with an unprecedented difficult situation, he stressed, the national anti-communist policy will never change.

On Country's World Status

OW181033 Taipei CNA in English 1019 GMT 18 Oct 86

[Text] Taipei, Oct. 18 (CNA) -- Foreign Minister Chu Fu-sung said Saturday that the Republic of China [ROC] maintains a dignified status in the world community as a result of its remarkable political and economic development. Chu made the remarks in a report on the country's current diplomatic situation at a Legislative Yuan committee meeting. Chu said that the ROC Government has been trying to develop substantive relations with other free nations since it withdrew from the United Nations in the 1970s. The ROC currently maintains 87 representative offices abroad. Among them, 58 are stationed in countries with which the ROC has no diplomatic ties. Moreover, the ROC operates 33 agricultural technical missions with a staff of more than 350 people in scores of developing nations.

In the meantime, Chu said that many foreign countries also have set up cultural or trade offices in the ROC. For instance, 14 major European countries have opened representative offices on the island and 12 European banks have branch or liaison offices here. The minister stressed that the ROC is the 10th largest exporting country among 170-odd nations around the globe. "We should cash in on our booming economy and vigorous national strength to expand our ties with other countries," he said. Chu also cited several encouraging fruits of the nation's diplomatic efforts, including the soon-to-be-opened trade offices of Malaysia and Canada in Taipei.

KUOMINTANG WORKS OUT SECURITY LAW GUIDELINES

OW160525 Taipei CNA in English 0245 GMT 16 Oct 86

[Text] Taipei, Oct. 15 (CNA) -- The ruling Kuomintang has worked out guidelines for enacting the National Security Law and amending the law governing civic bodies during the period of communist rebellion, and will send them to the Executive Yuan for reference.

The Kuomintang Central Standing Committee, in a weekly meeting Wednesday, approved two proposals submitted by a 12-member task force for the termination of emergency decrees and for drafting a law governing civic bodies to regulate social and political activities in this nation. The purpose of doing so is to meet the needs of the present situation and to lay a solid foundation for constitutional rule here, the Kuomintang said.

In addition to approving the two proposals, the Kuomintang's policy-making body also offered the cabinet guidelines for the institution of the national security law. These principles include:

-- The enactment of this law should be based on constitutional rule and aimed at fulfilling democracy and the rule of law while ensuring national security;

-- No citizens here, except for military servicemen on active duty, should be subject to court martial; and

-- The government should handle national affairs according to prevailing laws and regulations except for those prescribed by this law, for the purpose of ensuring national security and social order.

Meantime, it also mapped out the following four guidelines for amendment of the law governing civic bodies. These guidelines include maintaining the constitutional system while carrying through rule of law; to renounce violence and separatism while insisting on national reunification; to create a political consensus while promoting social harmony, and to encourage political participation through legal channels while restricting illegal mass activities.

NATIONAL SECURITY LAW TASK FORCE TO BE FORMED

OW190118 Taipei International Service in English 0200 GMT 18 Oct 86

[Text] Interior Minister Wu Po-hsiung said Thursday his ministry will form a task force upon receiving a formal instruction from the Executive Yuan to draw up the proposed National Security Law and an amendment to the law governing civic bodies. The Central Standing Committee of the ruling Kuomintang on Wednesday approved a proposal to terminate the 37 year-old emergency decree, replacing it with a national security law. The party also endorsed another proposal to revise the existing law governing civic organizations including political parties.

KMT-NONPARTISAN TALKS TO RESUME IN NOVEMBER

OW170423 Taipei CNA in English 0254 GMT 17 Oct 86

[Text] Taipei, Oct. 16 (CNA) -- The suspended dialogue between the ruling Kuomintang [KMT] and nonpartisans is expected to resume early next month, Professor Hu Fo of National Taiwan University [NTU] said Thursday.

Hu and Yang Kuo-shu and Li Hung-hsi, two other NTU professors, and Tao Pai-chun, national policy adviser to the president, have jointly served as the go-betweens in the KMT-nonpartisan dialogue. The first and second such dialogue sessions were held in May. However, the nonpartisan group unilaterally announced the suspension of the third-round dialogue which was scheduled to be held on June 7. Eighteen leading members of the nonpartisan group, including legislator Fei Hsi-ping and former legislator Kang Ning-hsiang, invited the four mediators to a lunch Thursday and discussed with them resumption of the suspended talks, Hu said.

As to what topics the dialogue should center on and discussion format, Hu said they will depend on the result of the negotiations between the mediators and the two sides respectively. Meantime, ranking KMT officials expressed their welcome Thursday of the nonpartisans' plan to resume the dialogue. They stressed that the ruling party has never changed its sincerity in communication with the nonpartisans.

DEMOCRATIC PROGRESS PARTY ISSUES STATEMENT

OW180557 Taipei TZU LI WAN PAO in Chinese 11 Oct 86 p 2

[Text] In a statement issued today, the "Democratic Progress" Party, which was established at the end of last month by nonpartisans, stressed that the party, pursuing progress with democracy in mind, will uphold pacifism and oppose violence, and will not have contact with any political organization at home or abroad which advocates violent revolution. It also emphasized that the only way to distinguish Taiwan from Chinese Communists in Mainland China is to truthfully practice constitutional democracy, and that the party will do its utmost to bring back the Constitution in its traditional form.

The working committee of the "Democratic Progress" Party and its principal members met on 9 October to discuss the three principles of organizing parties brought forward on 8 October by Chairman Chiang of the Kuomintang [KMT]: "Abiding by the Constitution, anticommunism, and drawing a clear line of demarcation with the Taiwanese independence movement". Today they issued the statement. It says: Taiwan will not be qualified or capable of talking about anticommunism unless it distinguishes itself from the Chinese Communists in Mainland China by strictly abiding by the Constitution and truly practicing constitutional democracy. For this reason, this party will do its utmost to bring back the Constitution in its traditional form.

The statement also maintains that the party should uphold pacifism and oppose violence since it pursues progress with democracy in mind. Therefore, as concerns those political organizations at home and abroad, the party will gladly cooperate with them as long as they advocate peaceful reform. The party will not have any connection with them if they favor violent revolution.

The statement also points out that the party, as an established political entity, is determined to hold an equal position under the protection of the Constitution with the other three established parties -- the Kuomintang, the China Democratic Socialist Party, and the Young China Party -- to consult with them, to keep faith with them, and together with them, to ensure the sound development of party politics. The party will deal with those three other parties in an open and aboveboard manner.

The "Democratic Progress" Party also indicated that in the past 40 years some fundamental changes have taken place in conditions inside and outside Taiwan. Faced with this changing environment, Taiwan has long been unable to cope with all contingencies without making changes. [paragraph continues]

Acceleration of the process of perfecting party politics has been a common opinion and wish of the people at home and abroad. The founding of the party is thus a natural outcome of conforming to this changing situation. Therefore, there should be no doubts or misgivings from any side. Particularly, the party hopes that the whole KMT will thoroughly comprehend the intention of their chairman's statement and launch an open, fair, just, and peaceful competition.

DPP PLANS CONVENTION BEFORE 6 DEC ELECTIONS

HK161100 Hong Kong AFP in English 1033 GMT 16 Oct 86

[Text] Taipei, Oct 16 (AFP) -- The opposition Democratic Progress Party (DPP) plans to hold its first convention in the coming weeks, despite warnings from government authorities that it might break the law, a DPP official said Thursday. Fei Hsi-ping, the DPP's party affairs coordinator, told reporters that efforts to promote the fledgling party would continue and that a convention would take place before public elections in Taiwan are held December 6. The DPP has nominated 44 candidates to contest the elections for the National Assembly and Legislative Yuan, or parliament. Mr. Fei made his remarks one day after the KMT's [Kuomintang] top policy-making body, the Central Standing Committee, endorsed plans to lift martial law in Taiwan and to permit the formation of new political groups.

Martial law and a ban on new political parties were imposed 37 years ago, when the KMT under general Chiang Kai-shek fled to Taiwan after the Communist Party took power in Mainland China. KMT authorities have said the 1949 laws would remain in force until all legislative procedures related to the reforms have been completed.

On Thursday they called on the DPP -- formed September 28 by 135 opposition politicians in defiance of the new-party ban -- to remain in the "planning stages" and make no further moves. But Mr. Fei said the DPP did not conflict with the three basic principles laid down by KMT President Chiang Ching-kuo "and there should be mutual understanding between the ruling party and our party." The three principles -- nationalism, democracy and livelihood -- forms the ideology of the KMT government.

In a statement Thursday, the DPP insisted on the people's constitutional right to form political parties, and asked that it be "respected and protected" by law as the KMT and two other parties now are. The Young China Party and the China Democratic Socialist Party were formed before the 1949 ban on new parties, but have little say in government.

The DPP also objected to a proposed national security law, which the KMT authorities have decided to impose to govern all security matters once martial law ends. It said the law would limit personal freedoms, "and we urge the KMT to abolish all laws which are not based on the Constitution."

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